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ALASKA HIGHWAY PIPELINE INQUIRY

IN THE MATTER OF AN APPLICATION BY FOOTHILLS PIPE LINES (YUKON) LTD. TO THE MINISTER OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT FOR A GRANT OF THOSE INTERESTS IN THOSE AREAS OF TERRITORIAL LANDS IN THE YUKON TERRITORY AS MAY BE NECESSARY FOR THE CONSTRUCTION AND OPERATION OF THE SAID NATURAL GAS PIPELINE AND THE WORKS AND FACILITIES CONNECTED THEREWITH AND INCIDENTAL THERETO,

AND

IN THE MATTER OF A BOARD OF INQUIRY ON THE SOCIO-ECONOMIC ASPECTS OF AN ALASKA HIGHWAY GAS PIPELINE.

BEFORE THE BOARD:

K.M. LYSYK, Esq., Q.C.	CHAIRMAN
WILLARD PHELPS, Esq.	MEMBER
MRS. EDITH BOHMER	MEMBER

P R O C E E D I N G S

VOLUME 35

WHITEHORSE, Y. T.

JUNE 30th, 1977

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GAS STUDY LTD.

JUL -8 1977

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Whitehorse, Yukon Territory

June 30th, 1977

(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT).

MR. CHAIRMAN: Ladies and gentlemen, I wonder if we might now commence. Mr. Roland?

MR. ROLAND: Sir, I understand we heard from Mr. Clarke yesterday and I believe Mr. Marshall is now prepared to begin reading his evidence.

MR. MARSHALL: I believe that Mr. Joe has a few introductory remarks.

PASTOR CLIFTON MONK, Resumed;

DR. TONY CLARKE, Resumed;

MR. PAUL MARSHALL, Resumed;

FATHER IAN MacKENZIE, Resumed.

MR. JOE: I sort of indicated yesterday, Mr. Chairman, this was a southern support panel and in the evidence of Dr. Clarke yesterday, he told of the national efforts of the churches on behalf of the moratorium and mentioned the widespread regional coalitions. At Page 8, he indicated - second paragraph, last sentence - "through

these coalitions, a growing number of southern Canadians are raising serious questions about the social and economical costs of building these pipelines" and Mr. Marshall will be presenting an outline of the nature of one of these coalitions in B.C. With that Mr. Marshall, can you read your evidence in?

MR. MARSHALL: Ladies and gentlemen and members of the Inquiry Board, it may seem unusual for a person from Southern Canada to travel north to appear before an Inquiry into a proposed pipeline which is often looked upon solely as a northern project. But the B.C. working group for moratorium thinks that the Alcan proposal is of concern to all Canadians. I appear here today as a member of the Steering Committee of that working group and on behalf of that working group.

Firstly, I wish to convey to this Inquiry the support in British Columbia to the position adopted by the Council of Yukon Indians, that is, that no pipeline be built in the Northern Yukon in perpetuity and that no pipeline be considered for the southern Yukon until land claims are settled and implemented.

Secondly, to convey to this Inquiry, the support in British Columbia to the objection expressed by the Council of Yukon Indians to quote,

"We are distressed and dismayed at the attitude of the Government of Canada on what we feel to

1 be the central issue - the only issue - and
2 that is the survival of our people in relation
3 to the accompanying impact of a large scale
4 development like the construction of the Alcan
5 pipeline. We strongly object to the manner and
6 the time frame in which the socio-economic
7 hearings are held."

8 Perhaps a word of clarification
9 there, Mr. Chairman. When we say we object to the manner, it
10 is not so much the style of proceedings which are going on
11 here, but the time frames which have been imposed upon you
12 and the limitations this puts on the amount of work witnesses
13 can put in and the amount of detail which you can go into.

14 Thirdly, to convey to this
15 Inquiry, the support in British Columbia and Southern Canada
16 generally, for a moratorium on pipeline construction in the
17 Yukon. Some information on the background of the B.C. working
18 group:

19 For the past eighteen months,
20 people representing a number of organizations have been
21 working together on issues concerning northern development.

22

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1 This group helped organize the national land claims week
2 in B.C. in March 1976, and it helped stimulate the
3 participation of British Columbians with the Mackenzie
4 Valley Pipeline Inquiry during it's southern tour in May
5 1976.

6 Increasingly, the group recognized
7 that what is often termed frontier development has serious
8 national, as well as regional, implications. This growing
9 awareness and involvement led to the formation in British
10 Columbia of a broadly based working group, the B.C. Working
11 Group for Moratorium. This group is committing time,
12 energy and dollars to engage a wide range of British
13 Columbians in defining and expressing the public interest
14 in northern development. To this date, the following
15 organizations have committed themselves to this task:
16 The B. C. Federation of Labour, the B.C. Teacher's
17 Federation, the United Roman Catholic, Anglican, and Lutheran
18 Churches, the Union of B.C. Indian Chiefs, the Canadian
19 Council for International Co-operation, OXFAM Canada, the
20 International Development, Education and Resources
21 Association, the Committee for Justice and Liberty. There
22 are in fact now more groups in the coalition and I might
23 mention that the total membership of these groups exceeds
24 half a million people.

25 The Working Group has stated
26 there are some fundamental reasons why Canadians should

1 challenge present trends in northern development.

2 Firstly. The issues of justice
3 and self-determination for northern native peoples.

4 Secondly. The role of the gas
5 and oil industry in Canada.

6 Thirdly. The effects of huge
7 capital intensive projects. Project development plans for
8 the North on the Canadian economy.

9 Fourthly. The potentially
severe disrruption of the fragile northern environment.

10 Fifthly. The questions raised
11 concerning the pressure to the Government of Canada to make
12 a decision regarding a pipeline route by September 1st, 1977.

13 Some recent reports indicate
14 that demand by the U.S.A. for gas is not so urgent as we,
15 in B. C., had been led to believe. For example, in March
16 1977, Christen Knudson, Chairman of the Ad Hoc Intermediate
17 Energy Working Supply Committee of the U.S. Energy Research
18 and Development administration, completed some projections
19 that jarred the conventional wisdom. He said the cost of
20 producing one thousand cubic feet of gas at well heads in
21 the continental U.S., including all taxes, and a return of
22 fifteen per cent on investment would average no more than
23 one dollar until the end of the 1990's. The supply of
24 price picture painted by the oil and gas industry proposes
25 a price of a dollar seventy five per thousand cubic feet for
26 the new gas. In addition, Knudson figures showed supplies

1 up to the year 2000 to be far more abundant than the public
2 has been led to believe. On June 13th of this year, Harvey
3 Proctor, Chairman of Southern California Gas Company
4 and Vice Chairman of the American Gas Association told
5 the delegates of the Canadian Gas Association that proven
6 and potential gas resources, plus a stronger effort in
7 conservation would prove adequate "to meet existing demands
8 far into the next century".

9 We are left with many unresolved
10 questions concerning supply and demand and cost. Some
11 words about a conference hosted by the B.C. Working Group.
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Monk, Clarke
Marshall, Mackenzie
In Chief

1 On May 27th to 29th, the Working
2 Group sponsored a conference "Northern Development - Time
3 to Consider", at the University of British Columbia. It was
4 a unique conference. Bob Manuel, of the Union of B.C. Indian
5 Chiefs, Len Guy, Secretary-Treasurer of the B.C. Federation
6 of Labour, and Remi DeRoo, the Canadian Conference of
7 Catholic Bishops and Bishop of Victoria, opened and chaired
8 the conference.

9 For two and a half days, two hundred
10 and fifteen delegates from native organizations, labour
11 unions, teachers locals, churches and public interest groups
12 from twenty cities and communities in British Columbia heard
13 from native people from the north, such as George Erasmus,
14 President of the Native Brotherhood in the Northwest Terri-
15 tories, and Ken Kane and Daniel Johnson, of the Council for
16 Yukon Indians, and discussed issues concerning northern
17 development.

18 The conference called for a morator-
19 ium on pipeline construction in the Yukon and a just settle-
20 ment and implementation of ^{the} land claims of the Council for
21 Yukon Indians. The conference also gave a mandate to the
22 Working Group to continue to serve as a co-ordinating com-
23 mittee and recommended that the member organizations expand
24 their activities in their own constituencies.

25 To give some examples of resolutions
26 passed by the various member organizations of the Working

1 Group. Firstly, at the June 10th and 11th, B.C. Teachers
2 Federation Executive Meeting, this resolution was passed.
3 The resolution was passed unanimously, I might add. "That
4 the B.C.T.F. endorse the call for a moratorium on construc-
5 tion of the proposed Mackenzie and Alcan pipelines to allow
6 time a) for settlement of native land claims; and (b) for
7 public study of the economic, political and environmental
8 consequences of the pipeline; and (c) for a study of their
9 impact on education."

10 In the second category, on June the
11 4th, 1977, five hundred and fifty delegates from United
12 churches from all areas of British Columbia, meeting in the
13 Annual United Church Conference, passed this resolution.
14 "Memorials to the 27th General Council of the United Church
15 of Canada. RE: Moratorium on Northern Pipelines. Whereas
16 the Berger Report, the Committee For Justice and Liberty,
17 Project North, and native groups have warned about the
18 disastrous social effects of any immediate pipeline in the
19 Mackenzie Valley, and, whereas no study comparable in scope
20 and style to the Berger Inquiry is being conducted concerning
21 the wisdom of building a pipeline along the Alaska Highway;
22 and, whereas there is danger of serious social disruption to
23 the native peoples of the Yukon if an Alaska Highway pipeline
24 is built in the immediate future, Therefore be it resolved
25 that this B.C. Conference memorialized the 27th General
26 Council of the United Church of Canada, to record its opposition

1 to any northern Canada pipeline until: (a) an inquiry similar
2 to the Berger Inquiry in scope and style has been conducted
3 in effective area; and (b) native claims have been satisfied
4 so that rights to their land are assured and so that they,
5 the native peoples, can determine their own social and polit-
6 ical future and have an effective voice in the future of
7 northern development."

8 The B.C. Federation of Labour also
9 called for a Berger-style study into the proposed Alcan
10 pipeline to the Yukon and northern B.C.

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On June the 14th, sent that message to this Inquiry and to the Minister of Indian Affairs and Northern Development. Copies of various letters from the B.C. Federation of Labour are included as Appendix 1, 2 and 3 to this brief.

The following is some examples of activities which have been carried out by the member organizations of the B.C. Working Group. With regard to the churches, two hundred Roman Catholic sisters in the Archdiocese of Vancouver, most of whom are teachers, have pledged their support to the Labour Day message of the Canadian Catholic Conference, September 1st, 1975, entitled "Northern Development at What Cost", and they're working to encourage support for the position adopted by the Canadian Catholic Conference calling for a moratorium on all pipeline development in the North.

For the past two years, the Interchurch Committee in Kelowna have studied and organized around issues concerned with northern development and native land claims. A report of the activities of that group is attached. The Interchurch Committee in Victoria has also taken an active role in that city to organize studies and meet with MPs concerning northern development.

In terms of labour, on June 3rd, the Federation Executive sent a letter to all affiliated local unions and labour councils to support a call for a ten

Monk, Clarke,
Marshall, MacKenzie
In Chief

year moratorium. Again, those calls are included as appendices.

These are only some examples of the activities presently underway in British Columbia. There are many more, but they are not included in this submission. What this submission tries to do, Mr. Chairman, is to give you some idea that throughout British Columbia, people support the Council of Yukon Indians in their quest for settlement and implementation of their land claims. People in British Columbia want to have time to consider the social and the economic impact of large scale northern development projects on the lives of all Canadians.

The B.C. Working Group for Moratorium hears no compelling reason why the Canadian Government has to make a decision on a pipeline route by September the 1st, 1977 and we recommend a ten year moratorium on all pipeline construction in the North. Respectfully submitted.

MR. JOE: I would like, Mr. Chairman, at this time, to file the respective appendices which were referred to in the evidence as ready by Mr. Marshall. The first is a copy of a letter to yourself, Ken Lysyk, dated June 14th, 1977 from Len Guy, Secretary/Treasurer of B.C. Federation of Labour. The second is a letter dated June 14th, 1977 to the Honourable Warren Allmand, Minister of Indian Affairs in Northern Development, again from Len Guy, Secretary/Treasurer - B.C. Federation of Labour. The third is a Press Release dated June 13th, 1977, from the B.C. Federation of Labour and the

fourth is an appendix of the report of the Kelowna Energy Group; and the fifth is an appendix -- the fifth appendix is a report of the Victoria Interchurch Committee with sample letters to the MPs and the Prime Minister dated June 8th, 1977; the sixth is dated June 3rd, 1977 and it's a memorandum to all the affiliated local unions and labour councils from Len Guy, Secretary/Treasurer of the B.C. Federation of Labour; the seventh is a Fact Sheet which is attached to the report.

MR. CHAIRMAN: Yes, certainly,
Mr. Joe.

(LETTER DATED JUNE 14, 1977 TO MR. KEN LYSYK, CHAIRMAN FROM LEN GUY, SECRETARY/TREASURER, B.C. CONFEDERATION OF LABOUR, MARKED EXHIBIT 83-A).

(LETTER DATED JUNE 14, 1977 TO THE MINISTER OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT FROM LEN GUY, SECRETARY/TREASURER, B.C. CONFEDERATION OF LABOUR, MARKED EXHIBIT 83-B).

(PRESS RELEASE DATED JUNE 13th, 1977 MARKED EXHIBIT 83-C).

(APPENDIX OF THE REPORT OF THE KELOWNA ENERGY GROUP, MARKED EXHIBIT 83-D).

(REPORT OF THE VICTORIA INTERCHURCH COMMITTEE DATED JUNE 8, 1977, MARKED EXHIBIT 83-E).

(MEMORANDUM DATED JUNE 3, 1977 TO ALL AFFILIATED LOCAL UNIONS AND LABOUR COUNCILS, MARKED EXHIBIT 83-F).

(FACT SHEET MARKED EXHIBIT 83-G).

1 MR. ROLAND: Sir, the Panel
2 is now prepared for cross-examination and I would first call
3 upon Mr. Bayly.

4 CROSS-EXAMINATION BY MR. BAYLY:

5 Q Mr. Clarke, if I could
6 begin with you please sir. On the second page of your
7 prepared evidence, you refer to -- under the heading
8 "The Mission of the Church in Light of the Gospel", the concern
9 that you have and that your group I believe shares, about
10 the stewardship of the earth's resources.

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1 Can you tell me, is your
2 concern one not only pointed at the producers and transporters
3 of these resources, but also at the consumers of the
4 resources?

5 MR. CLARKE: Yes, that's correct.

6 Q And can you tell me
7 what work the support group or it's member organizations
8 does to either assist or exhort the southern Canadian public
9 to perhaps change their energy use patterns as evidence of
10 support, as well as the lobbying that you have been doing
11 with industry and government?

12 A Well, for the past
13 four or five years, there has been a consistent program
14 going on on behalf of the various denominations that
15 support this -- or part of this project, trying to point
16 to the problem of excessive consumption of resources and
17 this has been done through issues like the food issue as
18 well as the energy issue and things of that nature.

19 Education programs, like the ten
20 days for world development, has been perhaps the most
21 active part of this program, and it's an education program
22 that takes place in communities throughout the country.

23 Certainly the question of lifestyle
24 and consumption has been a central part of that kind of a
25 program for the past four or five years.

26 I should point out, however, that

1 that is by no means the central aspect of our concern, that
2 we feel that consumption patterns are largely the product
3 of the kind of society that we have created, the kind of
4 advertising that exists, which, of course, is geared up
5 in relation to the production system that we have in our
6 society. I wouldn't want it to be left -- to leave the
7 impression that we see that simply by cutting back on the
8 consumption of energy, or cutting back on -- through
9 conservation measures, that that alone is going to solve
10 the problem that we're faced with in this society.

11 Q Yes. Yes, I'm not
12 suggesting in any way that it's the only part of the problem.
13 I wonder as well, have you been doing any work with
14 government to suggest that perhaps the encouragement of
15 overuse of energy should be discouraged by legislation or
16 by government action, or that there should be a form of
17 a rationing of consumption of any fuel products in order to
18 pursue this laudable stewardship program that you feel
19 we should all be involved in?

20 A Most of the efforts
21 regarding the actual consumption of energy has been
22 oriented to individuals. As to the question of alternative
23 sources of energy, we have spoken out quite frequently in
24 relationship to government boards and bodies on that.

25 Q Because I gather
26 that even with the ten year moratorium, if our present

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Cr-Ex by Bayly
Cr-Ex by Morrison

1 patterns continue, we really are only looking at a delay
2 in the very rapid use of these resources.

3 A That's correct.

4 MR. BAYLY: Those are all the
5 questions I have. Thank you gentlemen.

6 MR. ROLAND: Mr. Morrison?

7 CROSS-EXAMINATION BY MR. MORRISON:

8 MR. MORRISON: Mr. Marshall, I
9 have a few questions for you.

10 Where do you live, sir?

11 MR. MARSHALL: In Vancouver.

12 Q Vancouver. In page
13 two of your evidence you mention on the first line "for the
14 past eighteen months, people representing a number of
15 organizations have been working together on issues concern-
16 ing northern development." I take it these groups are
17 those that are listed below, the Federation of Labour, the
18 Teacher's Federation, and so on.

19 A Not all of them, no.

20 Q There are others in
21 addition to the list here?

22 A There have been others,
23 yes.

24 Q Okay. But those are
25 the kinds of groups you're talking about?

26 A Yes, they are.

1 Q Okay. The funding
2 of this organization; where does it come from?

3 A It really doesn't
4 come from anywhere, because it doesn't come. We get
5 donations from individuals. That has been very small scale.
6 Most of our funds comes in grants from these member
7 organizations.

8 Q Okay.

9 A In fact, I'm pretty
10 sure all our funds would come from that.

11 Q You mention here;
12 "issues concerning northern development", what are these
13 issues?

14 A The -- I can read
15 them again, but on page three --

16 Q Those are the
17 specific issues you speak to?

18 A Yes, they are.

19 Q On page three -- you
20 mean the ones at the top listed (1), (2), (3), (4), (5)?

21 A Yes.

22 Q I thought those
23 were reasons for challenging northern development? I was
24 looking for actually specific issues concerning northern
25 development.

26 A Could you expand on

1 the question, I'm not quite clear.

2 Q Well, you say here
3 that these are some fundamental reasons why we challenge
4 present trends in northern development, and over here you
5 are talking about issues. So in actual fact, they are one
6 and the same - the reasons and the issues?

7 A Okay, if you want a
8 particular issue, the one in this case is the issue of
9 building a pipeline along the Alaska Highway.

10 Q Okay.

11 A They are particular
12 instances, and these are the questions we have about those
13 various instances.

14 Q Yes. I just wondered
15 if you could expand for me what other issues that your
16 group has concerned themselves with in relation to
17 northern development?

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1 A Okay, when it comes
2 to the B.C. Working Group itself, we have confined ourself
3 to two issues, that is, a moratorium on a pipeline down
4 the Mackenzie Valley --

5 Q Yes.

6 A -- and a moratorium
7 on a pipeline down the Alaska Highway.

8 Q Okay, so in other
9 words your statement on issues concerning Northern develop-
10 ment is related only to those two issues.

11 A Yes, it is.

12 Q Okay.

13 A I might mention, for
14 many of the member organizations, their interests are far
15 wider than that but in terms of the Working Group, the
16 particular work which we try to promote and co-ordinate
17 within those organizations is concerning these pipelines.

18 Q Now, your next para-
19 graph --

20 "Increasingly, the Group recognized that what is
21 often termed frontier development has serious
22 national as well as regional implications."
23 Perhaps if you could expand on that a little for me,
24 please.

25 A Okay, I'll expand on
26 our reasons. The panel this afternoon will be their

1 | briefs directly to that point so our concerns are, for
2 | example, if a large amount of funds in Canada are diverted
3 | toward the building of a pipeline, this will mean that less
4 | funds are available for things like education, various
5 | social services, providing jobs in far less capital
6 | intensive sectors of the economy as there would tend to
7 | be capital shortages with a rise in interest rates, thus
8 | making getting of loans more difficult for people like
9 | small businesses, and so on, --

10 | Q In other words , these are the reasons
11 | you give in your attachments at the back on the energy --
12 | what is it, fact sheet on the ten year moratorium?

13 | A That is an example
14 | of the concerns of the B.C. Federation, yes.

15 | Q Okay, well, we'll get
16 | to those in a few minuts, then. Okay. On page three,
17 | you have given your reasons or some reasons for challeng-
18 | ing present trends in Northern development. If you could
19 | just give me a bit of clarification on these present
20 | trends, are you just talking strictly about the pipeline
21 | question here?

22 | A In this instance, yes.

23 | Q Okay. Now, the issues
24 | of justice and self-determination for native people --
25 | self-determination is, I suppose, is an interpretive
26 | phrase, if you will, depending on who you're talking to,

1 or perhaps you could give us your interpretation or your
2 group's interpretation on self-determination for Northern
3 native people.

4 A Basically, the position
5 of our group has been to support, in this instance, the
6 stand of the Council of Yukon Indians, so, in terms of,
7 we are basically supporting what they are saying, so for
8 clarification of that meaning, I suggest the question be
9 directed to the Council of Yukon Indians.

10 Q Well, sir, you've got
11 it in your brief here. I'd like to hear more than just
12 the support of the position of the Council of Yukon
13 Indians, if I might. I'd like to hear your interpretation
14 of self-determination.

15 A Okay. I'd have to
16 say, in that instance, the purpose of this brief is to
17 demonstrate, amongst other things, the support in B.C. of
18 the stand of the Council of Yukon Indians. It's not the
19 purpose of my brief to clarify that stand.

20 Q Perhaps you could run
21 that by me once more?

22 A Okay, the purpose of
23 my brief is to indicate, inter alia, the support in
24 British Columbia, for the stands of the Council of Yukon
25 Indians.

26 Q Yes?

1 A It is not the purpose
2 of my brief to analyze or clarify that stand.

3 Q If I understand that
4 correctly, are you telling me that you've presented your
5 evidence and just we say in here and you don't intend to
6 be subject to cross-examination?

7 A I'm perfectly willing
8 to be subjected to cross-examination on the subject of
9 the brief.

10 Q Well, it says in the
11 brief "self-determination for Northern native peoples" --

12 A Mmhm.

13 Q And I have asked you
14 what your interpretation of self-determination is, and
15 so far, I haven't got an answer.

16 A Okay, I would have to
17 say, in terms of the Working Group, which, remember, is
18 a coalition and a co-ordinating mechanism of a variety of
19 groups, I have no means of ensuring that my interpretation
20 is the same as that of the B.C. Federation of Labour or
21 the Union of B.C. Indian Chiefs, or the B.C. Teachers
22 Federation, or Oxfam, or whatever. However, what I can
23 say, what those groups agreed on and they have agreed can
24 be said about them is that they support the stand taken
25 by the Council of Yukon Indians.

26 Q So in other words --

1 A If you wish for clari-
2 fication on, for example, the stand of the churches, that
3 is a thing which Dr. Clarke --

4 Q -- no, no, I just
5 want to talk about your evidence here right now. In
6 other words, you are telling me then that the Working Group
7 on Moratorium does not specifically have an interpretation
8 of self-determination, in other words, there may be a
9 difference between what each of the groups thinks self-
10 determination is?

11 A There may be differences
12 but I'm pointing out the area of agreement, which is
13 agreed by all members of the Group, which is one of the
14 conditions of joining, is to support the stand of the
15 Council of Yukon Indians.

1 Q We'll leave that for a minute
2 or two then. Go to page four, the Northern Development Con-
3 ference at U.B.C., the organizers of the conference, did they
4 solicit or invite representations from other organizations
5 in the North, other than labour unions, churches or native
6 organizations? In the North, Mr. Marshall.

7 A Basically, a way of publi-
8 cizing their conference was to contact all the people we knew
9 who were concerned with those issues, tell them about the
10 conference, give them material relating to the conference,
11 and ask them to distribute them to the various peoples in
12 their areas. I'm not sure of the extent of that distribu-
13 tion...

14 Q Perhaps, say --

15 A ...Although it was primarily
16 to these groups.

17 Q Perhaps maybe we can clarify
18 here what the Group considers northern development. I take
19 it that we're not talking about North of 60 only?

20 A No, we're in - in this in-
21 stance we're talking about the considered pipelines in the
22 North.

23 Q North of 60?

24 A Well, the pipelines aren't
25 all North of 60.

26 Q No, no, I realize that but

1 that's what I'm asking you, are we talking about North of 60
2 or are we talking about areas other than North of 60 as well?

3 A We're talking about all the
4 areas which would be impacted in the pipeline and the effect
5 of building those pipelines on the south, which would areas
6 which are not North of 60.

7 Q Such as Vancouver?

8 A Yes, we're interested on the
9 impact on Vancouver.

10 Q Okay. You said just a minute
11 ago that the organizers would contact persons that they knew
12 who were concerned about northern development.

13 A Mmm-hmm.

14 Q And, that you didn't quite
15 know exactly how they went about that, but would you have
16 any idea if that meant an extensive solicitation program in
17 the Yukon and the Northwest Territories, because I put it to
18 you that all the residents of both Territories are concerned
19 with northern development?

20 A For the purpose of our Working
21 Group we restricted ourselves to peoples within British Col-
22 umbia.

23 Q Okay.

24 A There are similar Working Groups
25 in -- I'm not sure about Newfoundland -- but apart from that,
26 in all provinces across Canada and I believe, in the Terri-

1 tories.

2 Q So your Working Group of
3 persons in B.C. is concerned with activities of northern
4 development in relation to North of 60 -- and other areas you
5 have clarified?

6 A Yes.

7 Q I see, okay.

8 Now, in the next paragraph on page
9 4, you've stated, "The Conference called for a moratorium
10 on pipeline construction in the Yukon and a just settlement
11 and implementation of the land claims of the Council for
12 Yukon Indians". I take it that's the land claims of the
13 native peoples of the Yukon that you're referring to. What --
14 did you consider at all -- or should I ask you first of all,
15 were you at the conference?

16 A Yes.

17 Q Okay. In the consideration
18 of this recommendation of a moratorium, was there any consid-
19 eration given to the consequences of no development in the
20 North?

21 A Yes, there was.

22 Q Could you, perhaps, point out
23 a few of these points for us?

24 A Again, I'd say the speakers
25 who primarily addressed that matter were from the Council for
26 Yukon Indians and they could give you far better representa-

1 tion of that than I could. Basically you're asking me to
2 say "I heard these people say something" and then you mean
3 to expand on it. It would be far better to ask them because
4 that's where my own knowledge comes from.

5 Q We'll go on then for a minute.
6 "Memorials of the 27th General Council of the United Church
7 of Canada". I'm afraid that I don't know who comprises this
8 group at all, but perhaps I can address another question to
9 you. This group, in formulating their moratorium recommenda-
10 tion the northern pipelines, did they consider what the al-
11 ternatives of no development in the North are?

12 A I believe they did, yes. I
13 was not at that conference.

14 Q And I suppose I'm not going
15 to get an answer if I asked you to interpret what this group
16 meant when they said "can determine their social and political
17 future"? On page 5.

18 A Again, I would say that they
19 were supporting the stand of the Council for Yukon Indians
20 in that matter.

21 Q Let's go to the back of your
22 brief, to the Task Force recommendations.

23 A What page are you referring
24 to, sir?

25 Q Page two.

1 Under the title, but wouldn't pipeline construction provide
2 thousands of jobs? You have presented a very interesting
3 scenario here, Mr. Marshall.

4 A This is the B.C.
5 Federation of Labour?

6 Q Yes, it's part of
7 the Working Group on Moratorium, is it not?

8 A Yes, it is.

9 Q Are you qualified
10 to speak to this recommendation, sir?

11 A I am qualified to
12 speak that they made this recommendation.

13 Q And that is all?

14 A That is all, yes.

15 If you are interested in questions about pipeline
16 construction, the actual effects on the south, the answer
17 is yes, we have a panel this afternoon, with John Dillon,
18 and John Olthius speaking to that very point.

19 My point in this instance, is
20 to point out that the B.C. Federation of Labour is very
21 concerned on that matter, which is why they produced that
22 fact sheet.

23 MR. MORRISON: Mr. Chairman, I
24 have a bit of a problem here. We have a witness who has
25 presented evidence who intends not to speak to any of it.
26 I have been asking him questions, and how he says he has

1 referred it to somebody else. So why do we have the
2 witness presenting the evidence?

3 A May I speak to that
4 Mr. Chairman, please?

5 MR. MORRISON: No, Mr.
6 Chairman, I would like an answer this time, please?

7 MR. CHAIRMAN: From the
8 witness, I take it?

9 MR. MORRISON: No.

10 MR. CHAIRMAN: From me?

11 MR. MORRISON: From you.

12 MR. CHAIRMAN: I think my
13 answer is this, Mr. Morrison. If you address a question
14 to the witness and the gist of the witnesses answer is
15 that he doesn't know, you have to accept that and draw
16 whatever implications you choose from that answer, either
17 in your cross-examination or in your final submission to
18 this Board.

19 MR. MORRISON: Okay. Thank you,
20 Mr. Chairman. I have no further questions.

21 MR. MARSHALL: Mr. Chairman,
22 I don't know if I am allowed to interrupt like this. My
23 point is not that I don't know these answers, but the
24 point of my brief is to indicate the support in the South
25 on these matters, not to go into the substance of these
26 matters when we have in fact another panel arranged to go

1 into that substance. The point of my brief is to indicate
2 the widespread support and the activities in British
3 Columbia on that matter. I am declining the questions, not
4 because I don't know, but because they are not questions
5 about what is maintained in my brief.

6 MR. CHAIRMAN: I think part of
7 the difficulty here, Mr. Marshall, it seems to me, is that
8 you are putting the position of a group, a Working Group
9 for a Moratorium, and the group makes certain observations
10 about for example Mr. Morrison was directing questions to
11 you about the concept of self-determination. As I understand
12 his difficulty, there are two possibilities. That the
13 group for which you are spokesman has a clearly defined
14 concept of what self-determination amounts to and endorse
15 it, or the second possibility is that your group endorses
16 whatever definition of self-determination is to be supplied
17 in the future by the Council of Yukon Indians.

18 Those are two fairly clear
19 alternatives. I understand Mr. Morrison to be having
20 some difficulty as to whether or not the group for which
21 you are a spokesman has taken a clearly defined definition
22 of self-determination or developed in social and political--
23 determined their own social and political future and you
24 have endorsed that; or whether, in the alternative, the
25 group has said we will adopt now whatever definition of
26 that concept is to be supplied in the future by another

1 group, namely the Council for Yukon Indians. Those are
2 two fairly clear alternatives, and perhaps if you could
3 speak to that.

4 A Okay. On the first
5 point, we do not have a clear definition throughout all
6 the members of what constitutes a land claim and self-
7 determination. The position that we have taken is the
8 second of those two which you suggested, which is that we
9 will support the definition which the Council of Yukon
10 Indians will supply.

11 MR. CHAIRMAN: You are adopting
12 the concept now to be defined in the future. Is that the
13 gist of it?

14 A Basically through
15 our conversations with the Council for Yukon Indians, we
16 like what they have done so far and are willing to trust
17 them in the future. Obviously that is not open ended.
18 You know, conceivably they might come up with something
19 which we might find horrendous, but that does not appear
20 likely, so we're putting ourselves in the position of saying
21 we are supporting their stand and will accept their
22 definitions, because they are the people most concerned.

23 MR. CHAIRMAN: Does that
24 assist you Mr. Morrison?

25 MR. MORRISON: Very, very much,
26 sir. Thank you.

1 MR. ROLAND: Next, Nancy McPherson?

2 Sid Horton?

3 MR. HORTON: Yes, I do have a
4 few questions, but before I start asking the questions,
5 Mr. Chairman, I would like to address a remark, or perhaps
6 a question to you. I have a suspicion that in the course
7 of the line of questioning I intend to follow that I will
8 from time to time be getting into the area of Canadian
9 national issues, and it seems to me that this panel's
10 evidence is the first time that this issue has really
11 arosen -- or arisen. Into the context of Canadian national
12 issues and trying to elicit from these witnesses their
13 view of how they see those issues applying in the regional
14 area of the Yukon.

15 Now, I'm not trying to get into
16 the great debate of whether it's in the national interest
17 that there be a pipeline anywhere or whether it be down
18 the Alaska Highway or anywhere else. But I do submit that
19 it is relevant to the terms of reference of this Inquiry
20 to the extent that the national issues have an effect,
21 in terms of social and economic impact within the Yukon.

22 I wanted to raise this at the
23 beginning so as to avoid wasting time asking a whole bunch
24 of questions which you may feel the Inquiry was not
25 interested in, but still borderline enough that you didn't
26 want to cut me off.

1 MR. CHAIRMAN: If I understand you
2 correctly, your line of questioning will come back to social
3 and economic impacts in the Yukon, which is what our terms direct
4 of reference direct us to, Mr. Horton.

5 MR. HORTON: Yes, I want to -- there
6 will be times in my questioning that I'll want to -- in
7 the context of national issues, elicit from the witnesses
8 the extent to which they, those issues might have a direct
9 impact on the Yukon.

10 MR. CHAIRMAN: I think I understand
11 what you're saying and I'll suggest you proceed and, if I
12 may if it seems appropriate, reserve the right to interject
13 if it looks like we're getting more into the baliwick of
14 the National Energy Board than this Inquiry.

15 CROSS-EXAMINATION BY MR. HORTON:

16 MR. HORTON: Right.

17 Now, gentlemen, I'll not address,
18 try to address my questions to any particular one of you,
19 because I think they overlap between your two presentations,
20 but, your presentations have made reference to several dif-
21 ferent issues of national concern. I think, Mr. Marshall,
22 you already referred to the diversion of capital, the whole
23 problem of diversion of capital. Now, I'll just want to
24 start, perhaps with you directly on that question and ask
25 you what view you or your group has of the direct connection
26 between that particular national problem, so to speak, and
the impact it would have on the Yukon. I mean, you have

1 referred to one of the problems, one of the reasons that
2 national -- that northern development of a capital intensive
3 project is of concern to you and particularly to the B.C.
4 Federation, one of the member groups, is the diversion of
5 capital. Now how is that going to have effect on the Yukon?

6 MR. MARSHALL: You're asking me how
7 diversion of capital from the South would have an effect on
8 the Yukon?

9 Q Diversion of capital from other
10 projects, be they housing or whatever, to the construction of
11 a pipeline. How is that going to have an effect on the Yukon?

12 A Well, the principle effect on
13 the Yukon will be the capital that will be diverted to build
14 a pipeline through it and, you know, the Inquiry is to inves-
15 tigate those effects. The point I'm saying is there is great
16 concern in the South that, with the allocation of capital to
17 a very capital intensive project, there's going to be less
18 capital in the South for other projects which are far more
19 labour intensive and create far more employment.

20 Q Well, you're talking -- I'm
21 sorry, I didn't mean to interrupt.

22 A That's all right.

23 Q You're talking in terms of
24 theory, that, you know, theoretically that would occur. Now,
25 is there, is there to your knowledge that you can refer to
26 now, some documentation of the extent to which diversion of
capital would decrease the availability of capital for other

1 sources, other uses in the Yukon?

2 A Two documents which I've looked
3 at recently on this point are the briefs of John Dillon and
4 the briefs of John Olthuis to this Inquiry.

5 Q Now, that's going to be part
6 of their evidence, is it?

7 A Yes, it is.

8 Q In detail?

9 A I think it's in detail, yes.

10 Q Would it be fair of me to
11 suggest that one of the concerns, although it doesn't seem
12 to have been listed in these terms, one of the concerns run-
13 ning through the policy statement that you have described of
14 the Working Group, is that another development of this scale
15 in the North would be simply another step in and another
16 perpetuation of a development ethic. Now, is that a fair
17 inference for me to draw from your presentation?

18 A I'm bit worried about what a
19 development ethic is, but if I think I understand you, yes.

20 Q Well, a mentality that, a pro-
21 development mentality, a, let's develop for the sake of dev-
22 elopment because development is good like motherhood and apple
23 pie, you know. That type of unquestioning bias in favour of
24 development.

25 A Yes, certainly the idea of de-
26 velopment for development's sake we wish to get away from that

1 idea. I'd like to emphasize that we're not anti-development.
2 What we're basically saying is that, with these pipelines
3 particularly the Alaska Highway route, there is no National
4 Energy policy. The impacts of these pipelines, say for the
5 moment, in the South, has not been extensively discussed.
6 There is no possibility of doing that in the time frames im-
7 posed for decision on these pipelines. Thus, for those rea-
8 sons, apart from the question of native land claims, what
9 we're saying is that we believe there should be time to look
10 into questions of these developments so the responsible de-
11 cision can be made as to whether these developments truly are
12 in the national interest.

13 Q Okay, let me narrow it down a
14 little bit more, then. Let's assume that after all/^{of}the rele-
15 vant issues that you have described have been studied, weighed,
16 and balanced and the decision is made to build a pipeline down
17 the Alaska Highway corridor, do you then feel that that project,
18 as one of its social impacts, would have any effect on the
19 perpetuation of a development mentality and what, if so, what
20 the effect would be?

21 A Okay, building a pipeline itself
22 does not. If questions concerning land claims were settled,
23 we knew something about the actual fossil fuel resources in
24 this country, the effects of the capital intensive project
25 like this, how much gas we'd need, whether it's worthwhile
26 diverting the capital and so on. If these things were looked
at responsibly, which we have, to do so we believe would

Monk, Clarke,
Marshall, Mackenzie
Cr-Ex by Horton

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1 require a ten year moratorium on this pipeline, if these things
2 were looked at responsibly and it was felt that all these
3 things considered the pipeline might be worth constructing in
4 the future, then we would think that would be laudible thing.
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1 Q Okay. What's the magic
2 in the ten-year period of time?

3 A In this instance, the
4 ten-year period is one which has been called for by the
5 native people, as a sort of time period they're thinking
6 of for settlement and implementation of their land claims,
7 so that's where the specific notion of ten years comes
8 from. In terms of understanding something about Canada's
9 real fossil fuel resources, the possibilities of conserva-
10 tion, the possibilities of alternate energy sources, and
11 so forth, I would think as a period of something like ten years
12 would be required to get a real grasp of what is going on
13 there as well.

14 Q Why so long? I can
15 understand, I can understand the feeling of the need for
16 more time but what I am trying to have some firmer grasp
17 of is why it's ten years rather than eight years or two
18 years or twenty years?

19 A Okay the reason you
20 say it's ten years rather than nine or eleven or something
21 is because that is the sort of time period
22 which the native people have said they need.

23 Q So, you've accepted
24 their --

25 A Yes --

26 Q and endorsed their --

1 A It's conceivable
2 some of the questions might be dealt with in five or six
3 years, the ten year period primarily comes because that's
4 what the native people say they need, and we do think it
5 may well take ten years to settle some of the other
6 questions.

7 Q On page three of your
8 testimony, one of the fundamental reasons that you list,
9 why Canadians should challenge present trends in Northern
10 development is that the potentially severe disruption of
11 the fragile Northern environment, now, I suppose it's
12 obvious that you, obviously you recognize that it is not
13 for you or your Group to make the decision that has to be
14 made and that there is another group down there in Ottawa
15 that has to make the decision. I suppose you are hoping to
16 influence their decision but let us assume that the powers
17 that be, who will have the responsibility of making the
18 decision, having taken into account all of the concerns
19 that you and other people have raised, then make the
20 decision that there must be a pipeline in Northern Canada,
21 and let's just assume that decision is made, do I -- is it
22 fair for me then to infer from your concern about severe
23 disruption of fragile Northern environment, that once the
24 decision to make a pipeline is made, then the pipeline
25 should be along whatever route it is that is going to in-
26 volve the least disruption of the Northern environment,

1 both the physical and also the human?

2 A It's a fairly long
3 question. In the early part in terms of decision-making,
4 you use the word taking into account -- that could mean a
5 whole variety of things, so our objection is
6 that the present decision-making procedures are ones which
7 we cannot see by any means, taking into account all the
8 necessary concerns in it, so if, for example, the decision
9 was made before September 1st, on these pipelines, we can-
10 not see how that can in any way be a responsible decision.

11 If and when a decision is made,
12 presumably it would be a decision for or against the
13 pipeline, which is one which would have to take into
14 account a whole variety of factors, one of which is the
15 Northern environment. So all other things being equal,
16 which they most certainly won't be, then presumably we
17 would like one to be along the least environmentally
18 sensitive route, but there will always be other factors
19 involved.

20 MR. HORTON: I have no further
21 questions of this panel, Mr. Chairman.

22 MR. CHAIRMAN: I think, gentle-
23 men, this might be a good time to take my morning break.

24 (PROCEEDINGS ADJOURNED)
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(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

MR. CHAIRMAN: Ladies and gentlemen, I wonder if we might resume proceedings now. Mr. Roland?

MR. ROLAND: Yes sir, the next cross-examination is to be conducted by the City of Whitehorse. Is there anybody here representing the City? Following that, Mr. Taves of Arctic Gas. Following that, any questions from the floor, anybody in the audience who would like to address some questions to this panel. Mr. Hudson?

CROSS-EXAMINATION BY MR. HUDSON:

Q Dr. Clarke, I would like to address some questions to you. You have on your brief, the membership of your bodies. Has that been added to since the brief was prepared?

DR. CLARKE: No, it has not.

Q Mr. Marshall indicated that his group, and there is a considerable amount of overlap constituted a membership in the aggregate of five hundred thousand. Is that figure with regard to yours, that you --

A A figure of being what for?

Q Of the people that are represented?

A The number of people

1 represented? Well, if you're saying that the various
2 participating churches in Project North insofar as we're
3 talking about these as national church bodies, would
4 constitute between fifteen and sixteen million people as such,
5 but we do not claim to represent the views of fifteen to
6 sixteen million people.

7 Q Yes, that's what I was
8 getting at. There has not been a question put to your
9 various congregations and the decision moving upwards to
10 a leadership and a mandate given to them to join in in this
11 fashion.

12 A In each denomination,
13 there are various steps in a whole complex procedure for
14 the arrival of these policy positions. It has been something
15 that has been going on for a number of years now and
16 certainly in all cases, there are base discussions that lead
17 to the formulation of these policy positions.

18 Q But in many cases, the
19 discussion commences at a level of leadership and a decision
20 is made at that level as well? Is that not correct?

21 A I think there are some
22 examples where that is not the case at all and I would refer
23 at this time to Pastor Monk who can give some examples of
24 the Lutheran Church and its involvement through the Synod.

25 PASTOR MONK: Well, speaking
26 for my church and you will note from the brief, that we were

1 not in Project North right from the very beginning, but I
2 don't know, it's quite explicit there, the reason why we
3 at the national level were moved to join Project North is
4 because it came from the grassroots. Each one of our three
5 Synods in Canada petitioned our national body to join Project
6 North and to begin with the process of political action or
7 social action and also to begin the process then of pro-
8 viding more information to the people.

9 So very definitely, it came
10 from the grassroots. Now I can say at the conventions of
11 these three Synods for the last two years, they are annual
12 conventions. this issue has been discussed very extensively.
13 One our synods for instance, spent three -- a whole evening
14 and part of the next day discussing the moratorium position,
15 so I just want to show you that it has come from the grass-
16 roots, the leadership took action to respond to that grass-
17 roots concern and is now very definitely involved in
18 promoting and understanding and development of support of
19 the moratorium position.

20 DR. CLARKE: The same, Mr.
21 Hudson, could be said with the Anglican Churches to the
22 origins of its resolutions and I refer at this time to
23 Father MacKenzie to explain that.

24 FATHER MacKENZIE: Yes, I'd
25 like to begin by saying that the intial resolutions of our
26 general synods which is a democratic institution and which is

1 composed of people elected by Dioceses and each Diocese
2 is constituted by people elected from each parish. The
3 original resolutions in 1969 giving general support for
4 just settlement of aboriginal rights and CREE rights, grew
5 out of a response to large numbers of people in grassroot
6 membership places if you like. It was a result of a number
7 of studies and the studies themselves grew out of feedback
8 coming from within the church from both native and non-
9 native congregations.

10 The specific resolutions and
11 the specific position presented in this brief and authorized
12 as quoted in here in the last General Synod, I would say
13 have a large degree of grassroot support. In my own
14 Diocese, which is the Diocese of Caledonia and which
15 represents the whole of Northwestern B.C., it is made up
16 of congregations of both native ancestry and non-native
17 ancestry. At our last Synod, a resolution was passed,
18 reaffirming our support of a settlement of land claims
19 before major development projects take place. In fact, that
20 resolution calls for a cessation of major development in
21 areas where aboriginal rights have not been settled.

22 That issue was discussed with
23 other issues by every parish in our Diocese at congregational
24 or vestry meetings and that resolution was passed unanimously
25 at that Diocese and Synod in May. So, I would say that that
26 is one indication of the degree of discussion and involve-

1 ment that is going on in congregations throughout Canada.

2 Q Is that the answer to
3 my question? Now, dealing Dr. Clarke, with Project North,
4 and the operation of it and the positions they have taken
5 here which it would seem to me to be a responsible develop-
6 ment of natural resources according to the gospel for the
7 one, support of the Indian land claims for another, and
8 the moratorium you speak of - would that fairly describe
9 the goals of Project North with respect to the matter before
10 this Inquiry?

11 DR. CLARKE: You are referring
12 to page two.

13 Q No, I am not. I'm
14 paraphrasing.

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1 A Yes, I realize you're
2 paraphrasing but you're picking up on the two basic eth-
3 ical standpoints of Project North, one is the justice re-
4 garding the native people of the North, and secondly, the
5 responsible stewardship of resources?

6 Q Yes.

7 A That's correct in terms
8 of the ethical framework for the work of Project North, yes.

9 Q And then the detailed
10 one of the support for a moratorium?

11 A That's the further
12 elaboration of the program if you go through different
13 stages, correct.

14 Q In arriving at those
15 within Project North, has there taken place a debate on the
16 issues pro and con or is it as Mr. Marshall has said, a deter-
17 mination of the native position and a decision to support
18 it on the basis of something that needs support?

19 A Well, first of all,
20 Project North really is, as we explained in our brief, a
21 program of follow-up action to the existing policy positions
22 of the denominations and it was through a period of a year
23 and a half to two years that each of those three denomin-
24 ations, namely, the United, Anglican, and Roman Catholic,
25 went through the process of arriving at the position that
26 they enunciated in the middle of 1975. Project North was

1 set up to follow up those basic policy positions and in
2 effect it's putting into effect those policy positions.

3 Q Did you -- in reaching
4 those conclusions -- make enquiries, receive facts from
5 the people involved in development and leave open the pos-
6 sibility that your support will not be as it is here, if
7 you validly decide that issue should not be supported?

8 A Well, if you're asking
9 us, are we aware of the studies, the documents that the
10 various applicants for the pipeline, for example --

11 Q In essence, yes.

12 A Certainly, to some
13 extent, we are, we have been involved in the National
14 Energy Board hearings and we have been involved to some ex-
15 tent in becoming aware of the different studies that have
16 been done. Secondly, over the course of the past year and
17 a half, the two years since these positions have been taken,
18 by the churches, we have, within our own congregations, a
19 number of people who are advocates of pro-pipeline positions
20 and there have been numerous conversations, numerous dis-
21 cussions and numerous events which have brought these
22 people together to dialogue and debate with one another.
23 So, certainly, this kind of exchange of information and
24 discussion has been going on.

25 Q Well, within the
26 councils of Project North, though, do you invite the attend-

1 ance of persons with expertise in pipelines, say to
2 inform you?

3 A To inform us about what?

4 Q Pipelines.

5 A No, we don't -- we
6 have no intention of doing that, and let me explain why.
7 We bring a certain type of questioning and certain type
8 of concerns from our ethical standpoint to bear upon this
9 discussion and debate. We are engaged in discussion and de-
10 bate. It's up to Project North to try to formulate its
11 position and enter into the realm where discussion and
12 debate is taking place, and that is what we have been
13 doing. So it's not been our intention at all to listen to
14 both sides, so to speak, we certainly formulate the position
15 that we understand to be the position in carrying out our
16 mandate and the Gospel mandate that we have and we enter
17 into the public realm for debate and discussion on the
18 issues and we learn from that debate.

19 Q Now, I don't note in
20 your paper that you support a ten-year moratorium. Your
21 paper, as I understand, supports a moratorium. Is that
22 purposely done?

23 A That's correct. We
24 have never stated publicly that we have put any time line
25 on the moratorium, simply because our position is that a
26 moratorium is to be called for the purpose of achieving

1 certain basic objectives and we do not know how much time
2 that will take.

3 Q Now, I'll see if I
4 can shorten this down, the Dr., or Mr. Marshall indicated
5 that, as I understand it and I'm paraphrasing, that at the
6 moment they're informed of the Indian Yukon, the C.Y.I.
7 position, if I may call it that, and they support it, and
8 they don't see any reason at the moment not to and they
9 don't envisage any reason not to. Is that the position of
10 Project North as well, in reaching their position?

11 A We support the C.Y.I.'s
12 contention, a) that there should be no pipeline built for
13 the next ten years in order that the time maybe taken up
14 to both settle and implement the land claims in question,
15 and we support the right of the Council for Yukon Indians to
16 declare its position on that if they say ten years is the
17 time period in which they think is necessary, then we sup-
18 port that. The key thing here, of course, is both the
19 settlement and the implementation of those land claims.

20 Q If they said two and
21 a half to three years, you'd support that as well, would
22 you?

23 A We would support the
24 right of the Council for Yukon Indians to declare that
25 position, however, because, and I want to point this out,
26 we feel that there are many other factors involved as well,

1 as the native land claims position, and we would have to
2 examine that in the light of those other factors as well.

3 Q Project North meets
4 together sufficiently to address those issues when they
5 arise, weekly, or at regular intervals?

6 A Well, Project North
7 is a full body in bringing together the various delegated
8 representatives from the denominations at the national level
9 and meet every month and then there are sub-committee works
10 or committee meetings going on weekly, on various aspects
11 of the program itself.

12 MR. MONK: I'd just like to add
13 that in terms of that process that every month and after those
14 meetings there's a checking-out with our constituency.
15 You ask about the process and I, for instance, I would be
16 checking out with my President and other people who are
17 involved across Canada on that.

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1 Q On page one of your
2 brief, Dr. Clarke, you have indicated that to date, there
3 has been little public information about the proposed
4 pipeline. What information in fact, at the time of
5 writing this, did Project North have?

6 DR. CLARKE: Well, first of all,
7 Mr. Hudson, I read into the record a little public
8 information --

9 Q That's right.

10 A -- and discussion --

11 Q Oh, is that right?

12 A -- about the proposed
13 pipeline.

14 Q Yes?

15 A I think in response
16 to your question, I think the kind of evidence that has
17 been presented here by Foothills over the past week and
18 a half, two weeks, three weeks, it takes time to disseminate
19 and it takes time to go through a process of public
20 discussion. The kinds of things that Foothills has to
21 offer are fine, but there are other perspectives that need
22 to be brought to bare in relation to do that. We're
23 certainly speaking on behalf of the fact that it takes time
24 for these kinds of things to be thoroughly discussed in
25 the southern communities of the country.

26 Q Had Project North

1 procured copies of the application in its entirety at some stage?

2 A We have seen the
3 application. We ourselves did not procure it, no.

4 Q I see.

5 Have you addressed yourself to
6 any pipeline company directly seeking information?

7 A Pipeline company --
8 you mean in the Foothills application?

9 Q Foothills or
10 Westcoast?

11 A No.

12 Q You have not made
13 any enquiries of them to increase your information from
14 the little public information you speak of on page one?

15 A No, that's correct.
16 We have not, but the point here is that that sort of thing
17 takes time. It takes resources and all this sort of stuff
18 has been put together in a very short period of time.

19 You're talking about
20 decisions that have a momentous effect upon the whole
21 history of the economy of this country. You're talking
22 about the largest single project probably in this century.
23 It takes time on the part of the people who are concered
24 about the public interest to take -- to have the resources
25 that are necessary to look at these things.

26 Q My question just

1 relates to your statement. I can appreciate your perception
2 of the project, but I'm just dealing with your statement
3 that there is little public information --

4 A And discussion.

5 Q -- and discussion.

6 Now you say on page three, you
7 describe that this project constitutes one of the largest
8 industrial development projects in the history of this
9 country. and then you say as such the building of this
10 pipeline would have enormous social consequences for
11 both the native people of the Yukon and Canada's population
12 in the South.

13 Did Project North undertake a
14 study of the population of the Yukon with respect to this
15 project?

16 A The kind of thing
17 that is stated there is not -- we certainly had been given
18 no time to take a study per se. What is reflected here
19 is the concern that has been expressed to the various
20 channels of the churches that are available to us about the
21 situation in the Yukon. I'm referring here to the fact
22 that in April and May, pardon me, April or May of last
23 year, there were meetings for example between Project North
24 and the Roman Catholic Missionaries who are active in
25 various parts of the Yukon and discussions were there
26 about the anxieties of the social consequences of this type

1 of pipeline project and discussion on this kind of thing.
2 It was not per se dealing with the details of the Alcan
3 proposal, because at that time they were not known, but
4 the point is that those kinds of concerns were being
5 expressed, as well as the concern about the land claim
6 situation. Secondly, that thought was followed by an
7 ecumenical meeting here in Whitehorse, which again, took
8 up similar types of issues.

9 Q But your statement
10 seems to -- my reading of it, present a whole and that the
11 native people of the Yukon form a part of it, and Canada's
12 population in the South form the rest. Have you not --
13 I take it from that you have not addressed any consideration
14 to the enormous social consequences one way or the other
15 on the non-native population of Yukon?

16 A That's not correct,
17 sir, at all. The fact is the panel that will be coming
18 up later today, I think, will address some of those
19 matters.

20 Q Well what does the
21 statement mean, if it doesn't mean that?

22 A Your question again?

23 Q The statement that
24 I have quoted, what does it mean if it doesn't mean that
25 you have not included the white population of the Yukon?

26 A Oh, you said the

1 white population of the Yukon. I'm sorry, I thought you
2 said non-native population of Canada.

3 Certainly it has. The churches
4 themselves are involved with the white population here
5 and they are concerned about the kind of impacts. You
6 have already had some testimony from the churches themselves
7 here in the Yukon which has indicated that they are
8 concerned about the social consequences. Surely that's
9 an indication what's being expressed here.

10 Q Well is the statement
11 in error then?

12 A No it's not.

13 Q But it doesn't
14 include the white population of the Yukon by my reading of
15 it.

16 A By your reading of
17 it. Yes, that's correct. It does not include the white
18 population of the Yukon per se.

19 Q Was it incorrect?

20 A The statement is not
21 incorrect in the sense that that is what we are primarily
22 concerned about. The situation that we have been primarily
23 concerned about from the very beginning has been the
24 whole struggle of the native people vis-a-vis these kinds
25 of developments and the question of their land claims.

26 That should not be taken at all

1 that -- to be misjudged or misread that the Project North is
2 unconcerned about the white people of the Yukon or any
3 other northern part.

4 Q Do you foresee the
5 possibility of a variance on a particular issue within the
6 larger issue between the non-native and the native at
7 some time which you might have to deal with?

8 A Undoubtedly, there is
9 already.

10 Q And does your group
11 address those, or does your support for the native position
12 become the paramount concern?

13 A It certainly is a
14 paramount concern.

15 Q I see. And that is
16 expressed as well then in page four on the Labour Day
17 Message where the decision is made to act in solidarity with
18 the native peoples of the North.

19 A That's correct.

20 Q That is the purpose
21 of Project North? That's a statement that is in line with
22 Project North?

23 A That's correct.

24 Q You mention on page
25 six of your material that I have already discussed with you
26 the matter of moratoriums as you see it. Then you say that

1 it is to be region by region and I'm wondering if by that
2 your group perceives that there could be a moratorium in
3 one area of the North and not in another.
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1 A Well, first of all, Mr. Hudson,
2 I think that should be pronounced "proper context", that is
3 a statement by the United Church.

4 Q Yes.

5 Q It's a policy position of the
6 United Church.

7 Q Is it not adopted by --

8 A Project North is, in general
9 and in concert with the position of the church leaders, as
10 declared in Justice Demands Action before the Prime Minister
11 and the Cabinet in March, 1976, stated "that a moratorium
12 on all major resource developments in the North to achieve
13 the following objectives", and then the four were listed.
14 So the United Church presumably here is qualifying that
15 somewhat, region by region and therefore I think that that
16 question would have to be asked as the interpretation of that
17 would have to be asked of the United church themselves.

18 Q There's no representative here.

19 A I'm sorry, there's no repre-
20 sentative here, no.

21 Q You refer -- there's referred in
22 the brief to the North, quite frequently. Does the group,
23 Project North, study the regional geographic demographic
24 differences in one region of the North to another?

25 A We certainly are aware of it.
26 I think that you're aware of the book, "This Land is Not For

1 Sale". There was reference as to their different demographic
2 material in that.

3 Q Does the group recognize that
4 mitigative or ameliorating steps would be more easy to accomp-
5 lish in one region than another or do you view the North as
6 a total entity for the purposes of your position?

7 A Well, the position we have is
8 it has to do with the -- and it reflects the position of the
9 various northern native organizations right across the North.
10 They themselves define themselves and their purposes in dif-
11 ferent ways and our concern is to respond to those positions
12 of northern native organizations.

13 Q Yes, so that in answer to my
14 question, do I take it that you treat the North as a -- and
15 the natives in the North as a group, an entity?

16 A In the record -- no, we're
17 talking about respecting the various differences and there are
18 differing positions among all the seven to nine northern native
19 organizations that we've been responding to. So it would not
20 be fair to say that we treat it as one great big kind of
21 general framework.

22 Q You do address yourselves to
23 the various differences?

24 A Very definitely.

25 Q In deciding whether to support
26 one or the other?

1 A We certainly respond to the
2 requests by northern native organizations for the services of
3 Project North and in each case those requests differ and we
4 examine them and then look at it in the light of our own man-
5 date and our own capacities to respond.

6 Just for a moment, please, Father
7 Mackenzie would like to respond specifically.

8 FATHER MACKENZIE: I would just like
9 to add that one of the common elements is delineated in the
10 motion on page five, in which it reads: "To halt planned
11 development until aboriginal claims are settled", and I
12 think that that's a significant point that's involved in terms
13 of the way Project North operates here.

14 MR. MONK: I think a very impor-
15 tant distinction has to be made in terms of whether we sup-
16 port something explicitly in terms of a, b, c, d, e, et cet-
17 era. Like what we see the native people themselves as being
18 the primary actors, they have to exercise the adequacy role
19 on their own behalf. We stand in support of that, because
20 serving, servant role which is what I see has a very legiti-
21 mate role of the church. We don't want to say that we're
22 going to dot every i and cross every t that the native people
23 are saying in terms of trying to achieve their hopes and
24 aspirations, but we're certainly going to be -- give them the
25 utmost moral support in their efforts to achieve those hopes
26 and aspirations.

1 Q You have a statement on page
2 11, that maybe I wonder if you would like to clarify on. You
3 make some contrasts and I wonder if you would agree that maybe
4 those contrasts aren't apt and it's the phrase "unrealistic
5 deadlines could be avoided and discussions took place, could
6 take place in an open and suitable manner in the North, rather
7 than being rushed through a purely white man's process in
8 Ottawa or Whitehorse." And I take from that you're contrast-
9 ing an open and suitable manner in the North with being rushed
10 through in a purely white man's process in Ottawa or Whitehorse.
11 Is that a fair interpretation of what you're saying there? Is
12 that a contrast?

13 MR. CLARKE: Yes, there's two
14 aspects of the thing. One is the negotiating process itself
15 and, secondly, the approach to aboriginal land claims them-
16 selves and really we're trying to combine both of them in this
17 statement.

18 Q What do you mean by white man's
19 process?
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A Well, I think you have to respect the fact that the native people have a different process for arriving -- going through these kinds of negotiations, that it takes a lot of time to work things through to discussion and then reaching a consensus. We often as white people, go through some discussion and then we have some votes and that's it.

1 The process is quite
2 different and I think we have to understand that process
3 and try to create a negotiating process for land claims
4 settlement that really respects the traditional attitudes
5 and approaches of the native people to those kind of
6 decisions.

7 Q Are you familiar with
8 what Dr. Naysmith has said about the steps that have been
9 taken in the Yukon land claims discussions?

10 A I'm familiar with
11 some of them and I should point out that I think that there
12 have been substantial changes in the Federal Government's
13 approach to land claims discussions between -- in the last
14 year and a half.

15 Q Towards the goal
16 you're speaking of here?

17 A Oh yes, there has been
18 certainly, substantial changes in that process, but the
19 point we're making here is that we're drawing a connection
20 obviously with the James Bay model of settlement and there
21 has still no clear indication that the Federal Government
22 has changed its position with respect to the James Bay model
23 being the operating model for land claims negotiations and
24 settlement. That's the point we're making here.

25 Q And you think that it's
26 appropriate to call it the white man's process rather than

1 the governmental process?

2 A I think our distinctions
3 here have to do with, as I have mentioned before, there is
4 quite a distinction between the way native people may arrive
5 at decisions and the way white people traditionally arrive
6 at decisions. That's the point that's made there. I don't
7 think it should be over-emphasized as being the biggest
8 distinction in the world.

9 Q On Page 12, you refer
10 to the requirement for more independent study and inquiry
11 into the environmental impact of the pipeline construction
12 in certain regions.

13 Are you aware of the -- in
14 writing that -- of the Templeton Report or the Alaska High-
15 way Pipeline Panel Report and the investigations being
16 conducted by the committee headed by Dr. Hill?

17 A Yes.

18 Q And is it your
19 assertion then that more than that at this time, should be
20 going on or that it's the future -- that it's in the future
21 that more should be done?

22 A We're saying that
23 first of all, more than that should be done and secondly,
24 it's going to have to be done in the present and the future.

25 Could I just say one more
26 thing about that, Mr. Hudson? I think that, and especially

1 listening to some of the cross-examination yesterday, I
2 should like to point out that while the applicant certainly
3 conduct their studies, and it's important that they do so
4 and it's important that they do as much of that study as
5 necessary, but it's equally important that public interest
6 groups and other groups that do not have a particular vested
7 interest in the building of these pipelines, be given the
8 resources and the time to do the kind of studies that they
9 think are necessary into these kinds of applications.

10 Many of the factors that are
11 outlined here require a great deal of very careful probing
12 and study before any decision should be made on these kinds
13 of pipelines. It's not enough simply for the applicants to
14 submit their studies and simply to have cross-examination.
15 We feel that there should be independent studies as there
16 have been in the few cases in this Inquiry and other
17 inquiries, but there should be more independent studies
18 brought forward by public interest groups so that we can have
19 a real debate between the applicants and the public interest
20 intervenors regarding the kinds of outstanding issues that
21 remain unresolved.

22 Q Mr. Marshall, in
23 connection with your group, the B.C. Working Group for a
24 Moratorium, do you -- is there any control or -- yes control
25 -- on the statements made by your constituent members for
26 support?

1 MR. MARSHALL: Could you repeat that.

2 I'm not quite sure what you mean.

3 Q Does your group over-
4 see the information that is contained in request for
5 support that your constituent members send out?

6 A No, we don't. In
7 fact the constituent members oversee the Working Group.
8 They put limits on the things we're allowed to express.
9 For example, the B.C. Teachers Federation in terms of its
10 policy statements. I could not here, make a statement on
11 something on their behalf, which they hadn't a written
12 document on.

13 Q And you're not in a
14 position to discuss the Fact Sheet that the B.C. Federation
15 of Labour has put out, you have appended to your paper?

16 A We have other
17 witnesses who will discuss the sort of concerns outlined in
18 that Fact Sheet.

19 Q But insofar as this
20 Fact Sheet states that the only study that will have been
21 done on the effects of the Alcan route is the three month
22 Lysyk Inquiry, you recognize that that's incorrect, do you?

23 A I would think they
24 mean governmental studies.

25 Q But in light of the
26 Hill Environmental Assessment Review Panel, it's incorrect,
even on those terms?

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A Let me see.

Q It's in the Fact Sheet
on the first page.

A How far down, can you
tell me?

Q Just near the bottom.

A I would assume the
intent of the Federation of Labour --

Q I'm wondering if to keep it
on track, you couldn't agree with me that that's an in-
correct statement.

A I would say in terms
of the point I'm trying to get across to the members, no.

Q That's a correct
statement?

A In terms of its in-
tent, yes.

Q What's its intent?

A I would consider the
B.C. Federation of Labour is thinking about public hearings
into these matters, an enquiry, they relate that to the
Berger Inquiry, the length of the Berger Inquiry comparing it
to the length of this Inquiry and I think the basic intent
of that point is to say, there's very little study which
is being done on this route.

Q Yes, but I'll just ask

1 you again -- it says the only study that will have been done
2 on the effects of the Alcan route is the three-month Lysyk
3 inquiry due to be released on August 1st, and I'm suggest-
4 ing to you, as a matter of public knowledge, that that is
5 incorrect since it fails to refer to the N.E.B. Inquiry
6 into this route and, as well, the Hill's Environmental
7 Assessment Review Panel. It's incorrect, and you don't
8 agree with that?

9 A I would say it's in-
10 correct in the way you've outlined but in terms of what
11 I think the B.C. Federation is trying to communicate to its
12 members about the paucity of examination of this route,
13 that general thrust, I would tend to think, is correct.

14 Q I have no further
15 questions of this panel, thank you, Mr. Chairman.
16 CROSS-EXAMINATION BY MR. ROLAND:

17 MR. POLAND: I have just a
18 couple of questions. Dr. Clarke, or Mr. Marshall, either
19 one of you can respond. As I understand it, the sequence
20 that your presentations would refer to, would be, first
21 of all, that nothing should be done until further inquiries
22 are undertaken as to the implications of building such a
23 pipeline through the Southern Yukon, and I, as far as this
24 inquiry is concerned, you would be directing your attention
25 to the socio-economic implications and I wondered if you
26 could tell us, if that's one of the first steps that has
to be undertaken before a pipeline can be built, if you could

1 tell us what specifically, in your view, should be looked at in
2 the socio-economic context before a project could be under-
3 taken?

4 MR. MARSHALL: The sort of
5 things we're thinking about -- well, if could pick up on
6 one of your statements -- we're not saying that nothing
7 should be done until a decision's made on the pipeline.
8 We're saying there's a whole lot of things which need to
9 be done, that's why the decision must be delayed.

10 Q So what you're saying
11 is no decision even in principle can be made until certain
12 things are done?

13 A Yes, that's what we're
14 saying.

15 Q Is that correct?

16 A Yes.

17 DR. CLARKE: Could I comment
18 on that, too?

19 Q Sure.

20 A I agree with that
21 formulation that you just put at the end, there. I think it
22 is, there's a serious problem, I think, in the understand-
23 ing of the notion of moratorium or delay, that's a do-
24 nothing thing. There's a great deal to be done. And if
25 you take the moratorium position that the churches have
26 adopted, it is a position of do a great deal during that

1 time, not the least of which is the settlement and implem-
2 entation of land claims. The least of which is the kind of
3 studies, not the macro-economic studies that need to be
4 taken into consideration.

5 Q Well, if we can set
6 aside land claims for a moment and deal with the socio and
7 economic studies that need to be undertaken before con-
8 struction of the pipeline or, I take it, before a decision
9 to construct a pipeline, could you tell us specifically
10 what kinds of studies or inquires in the socio-economic
11 world, in your view, need to be undertaken?

12 A Well, I think we've
13 listed them on page twelve of our --

14 Q I've noticed on page
15 twelve, it seems to me in the context of this inquiry that
16 there are two there --

17 A -- yes --

18 Q -- that are important--

19 A Could I --

20 Q Yes.

21 A Number two and number
22 five --

23 A Five, yes.

24 Q And, have you got --
25 can you tell us with any more degree of detail, what kind
26 of studies, for instance, need to be undertaken with respect

1 to the economy of the Yukon, in your view?

2 A Well, first of all, we
3 would say that there really needs to be a much more thorough
4 and deeper probing of the economic dislocation that arises
5 out of the building of these kind of pipelines. You build
6 a pipeline, yes, but the profits and the revenue that really
7 is made on that pipeline is not necessarily going to return
8 to, or in sufficient quantity is going to return to the
9 Yukon for its own regional economic development. I think
10 there's a lot of gaps in the understanding of this thing
11 so far. Secondly, there is the whole question of altern-
12 ative uses of capital. If there is going to be approximate-
13 ly, or in the neighbourhood of two billion dollars worth
14 of Canadian equity raised for the building of this pipe-
15 line, well, let's ask the question of what other alternative
16 uses of that capital might be made.

17 Q Are you talking about
18 alternative uses in Canada or the Yukon?

19 A In Canada and the
20 Yukon but let's take the Yukon. Supposing you had one
21 billion, half of that, a billion dollars were poured into
22 regional economic development that are determined by the
23 people of the Yukon themselves in the framework that they
24 would like to have for their own future development. You
25 see, you're talking about a form of development, i.e. these
26 pipelines, that are imposed from the outside, but what of

1 the people of the Yukon, starting with the native people
2 and their land claims, but including all people of the
3 Yukon were to decide that there are other ways of develop-
4 ing the economy of the Yukon, if we had the capital, what
5 could we do with it? And this is the kind of thing that
6 might be taken into, has to be looked at. Type of devel-
7 opment that would be more labour intensive, create more
8 employment, but long term employment and the kind of
9 boom and bust patterns that the Yukon's history has been so
10 characterized by in the past.

1 Q I see, and when you
2 are dealing with social priorities, which is the fifth
3 item you list on page twelve, could you tell us with any
4 more detail the kinds of inquiries that you feel need to
5 be undertaken with respect to such things as you mention
6 there: housing, social services and credit for small
7 businesses? First of all, are you dealing with the Yukon
8 in that item, or are you dealing generally with a
9 larger Canadian context?

10 A Dealing generally
11 with the larger national economic context.

12 Q I see. So, you
13 don't direct yourself with respect to those items
14 specifically to the Yukon?

15 A We weren't directing--
16 with the listing of that, is not directly with the Yukon
17 situation.

18 Q Okay. Could I just
19 mention though that this is not something new, of course,
20 with respect to the macro-economic impact of building
21 these pipelines that these kinds of concerns have been
22 expressed by several Cabinet Ministers in statements to
23 Mr. McDonald and others in February of '75 and the statement
24 he made before the House of Commons, it was pointed out in
25 the Toronto Dominion Bank's report to the National Energy
26 Board that if you take away -- if you really, you know, make

1 a high priority out of building these kinds of pipelines
2 that means a draining on capital from other -- for
3 other kinds of developments --

4 A Yes.

5 Q -- and the main
6 concern here is that these have not been adequately
7 studied?

8 Okay, you have talked
9 about the difficulty of using the term moratorium and you have
10 indicated that it's a difficult term that causes some
11 misunderstanding and it must -- much must be done during
12 the period of moratorium and we have -- you have mentioned
13 two things; further studies and inquiries and the settlement
14 and implementation of land claims. You have also suggested
15 a ten year moratorium, if not you, other members of the
16 panel, that needs to be imposed before development. Would
17 you envisage the possibility of an agreement in principle
18 made immediately to build the line in ten years? Is that
19 something that is possible?

20 A We don't see how
21 that kind of thing can be undertaken. For two reasons.
22 First of all, agreements in principle mean that you have --
23 all the stuff that comes afterwards is really after the
24 fact, and really doesn't have any bearing upon the decision
25 whether or not the building of a pipeline is in the public --
26 is really necessary. Secondly, we understand anyway, that

1 the Americans wish to have that gas brought on stream by
2 1981. So the idea of even postponing it very much, that
3 decision seems to be out of the question if the American
4 demands are as great as we have been apparently led to
5 believe.

6 Q So, you recognize
7 that if your suggestion is followed, there will be no
8 pipeline built through the southern Yukon because
9 American demands cannot permit a delay of ten years as
10 you have suggested?

11 A Well, if that is
12 correct --

13 Q M'hmm.

14 A -- now obviously
15 there could be a change in American position, American
16 attitude with respect to the need for Prudhoe Bay gas to
17 be brought south et cetera.

18 Q I think you have
19 indicated already that your position with respect to a
20 moratorium and a delay of ten years is based upon two
21 things. First of all, it's based upon your acknowledgment
22 of the positions taken by the native organizations and
23 specifically the Council of Yukon Indians in the Yukon.
24 They have asked for ten years, they have asked for
25 settlement of the claims, and they have asked for
26 implementation of the claims before construction.

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Is that fair?

A It's fair.

Q Now this is just a

A If?

Q Of course, there's

A Our position would

Q Okay, now you've also talked about, in your presentations in various places, the words appear such as "governmental and native controlled governmental institutions" and "the political future of the native organizations and the native people", and I'm - I wonder are you in your, with respect to the positions taken by your organization, do you envisage a separate political native institutions or institutions being created in the Yukon and are you in support of that kind of future development of the political climate of the Yukon, which would, I suppose, envisage some kind of parallel government in the Yukon? Or are you simply reflecting what you see as the position of the native organizations towards some kind of political development?

A Well, what we're primarily concerned about is the, is that there is no way that any people can have secure control over future economic development without having the political institutions that are necessary to maintain that control. And, if the Council for Yukon Indians in its negotiations wishes to set up a process of self-government, which would be oriented toward securing control over future economic development on their land claims, then this is certainly what we support and we have supported in the case of the Mackenzie Valley as well.

Q I see, but --

A But we do not plan to enter into the details of those plans because we feel that's the

1 prerogative of the Council for Yukon Indians.

2 Q Well, I take it then, to
3 summarize, you would follow any position taken in that regard
4 by the Council of Yukon Indians, but you don't, on your own,
5 advocate a separate, self government for the native organiza-
6 tions or the natives in the Yukon?

7 A Well, we're not into the pro-
8 cess of advocating specifics regarding the land claims settle-
9 ment and implementation and we consider this to be a part of
10 that and that's for the Council to decide. Just as it's
11 different in, with different native organizations across the
12 country.

13 Q And if the Council of Yukon
14 Indians does not take that position, that is does not advocate
15 their own governmental institutions or political institutions,
16 then I take it you would support their following that line as
17 well?

18 A Correct.

19 Q You would not on your own
20 advocate ---

21 A It's not our position to ad-
22 vocate, that would be a violation of the principle of the
23 self-determination. We certainly might question whether or
24 not it's going to have, you know, whether they will have ef-
25 fective control over future economic development, if they do
26 not have the kind of institutions that are necessary for that,

1 but it's not our position to do so.

2 Q Now, I think, Mr. Marshall,
3 you indicated you felt the impact of the pipeline had not
4 been fully canvassed in your presentation and you didn't say
5 in Canada or in the Yukon and do you mean one or the other
6 or both?

7 MR. MARSHALL: Both.

8 Q You do, and do you -- when
9 you say that, do you have regard for the fact that this
10 Inquiry has been, or is going to virtually every community
11 in the Yukon?

12 A Yes, we have. I believe the
13 Council of Yukon Indians has stated before this Inquiry that
14 the time limits imposed on them are not sufficient for them
15 really to formulate the exact details of their land claims.
16 They feel very hurried and very pushed because of this. I'm
17 not criticizing the manner in which this Inquiry is being
18 conducted in a sense of what it is trying to do within its
19 mandate, but I am criticizing its mandate that is expected to
20 come up with a consideration of the impact on the Yukon in
21 such a limited period of time. I cannot see how, no matter
22 how hard the various commissioners try, how a really respon-
23 sible study of the impact could be done in that short a time.

24 Q Well, I'm specifically concerned
25 about your statement and I -- that you haven't, that the
26 impacts haven't been canvassed and I take from that, in the

1 context in which it's found, that what you are talking about
2 is obtaining opinions from Canadians and Yukoners as to their
3 attitudes towards the development and towards the impact that
4 will be created by the development scheme.

5 A Yes, I am.

6 Q And do you feel that there
7 needs to be a further canvassing of the opinions of Yukoners
8 beyond that performed and being performed by this Inquiry?

9 A Yes, I do.

10 Q And could you tell us how you
11 feel that should be done?

12 A I'm not an expert on setting
13 up the nature of inquiries. I would certainly suggest that
14 something like the sort of time frame which Mr. Justice
15 Berger had, would give much more opportunity for
16 opinions and views actually to be formed so they could be
17 expressed. At the moment, a lot of this might be a criticism of
18 ourselves, but a lot of the material has to come very quickly
19 almost off the top of your head, you have to get these things
20 together and in terms of, I believe, canvassing native opin-
21 ions in the Yukon, the Council for Yukon Indians would like
22 much more time to meet with people and to discuss these things
23 and so forth.

Q Dr. Clarke, in your presentation you are concerned with and you expressed the concern of your organization with the social and economic unrest and consequences that such an enormous project might entail. Have you or your organization, directed your mind and your attention to the experience that the native organizations and people have had with the Alyeska project in Alaska?

DR. CLARKE: Yes we have.

Q Have you in doing that, looked as well to the advantages that might derive from such a construction project and that did derive from that project for the native people and the native organizations found in Alaska?

A We found very -- in the studies that we've looked at, we found very little in the way of long range economic -- or I mean, long range benefits. I think what we've seen is enormous destructive consequences of that particular project.

Q And when you say you've seen enormous destructive consequences of that project, could you tell us specifically what you're referring to. Are you referring to any specific studies or visits you or others have undertaken to Alaska?

Q Well, what we -- and this will come up in the presentations this afternoon, but

1 as you probably know, there have been comparative studies
2 done on this that we're presenting to the National Energy
3 Board and to some extent, evidence will be drawn from that
4 in one of the presentations here this afternoon.

5 In this case, they
6 specifically will relate to the question of in-migration and
7 the impact of boom related in-migration. They will relate
8 to the question of setting up the camps and the impact that
9 that's really had and to the job turnovers that an inflationary
10 effect of job turnovers that result from that.

11 Obviously, there are other
12 factors too that, pertaining to the Alyeska pipeline that
13 have environmental, let alone a lot of other things.

14 Q Yes. The Alyeska
15 pipeline having now been completed, have you or your
16 organizations had an opportunity to speak with those native
17 organizations or native people in Alaska to assess their
18 experience with the construction period?

19 A Well, actually, not
20 recently, however, there have been discussions. There have
21 been discussions in the past and Father MacKenzie may wish
22 to refer to some of those discussions he's had with people
23 involved in that.

24 FATHER MacKENZIE: Well, the
25 concrete studies that Dene did, it seems to me, are
26 worthwhile looking at in terms of comparing the Alaska model

as a land settlement - I was up in Alaska in the fall and I spent a little bit of time talking to some of the members of the corporations - the directors and presidents at the meeting, and one of the problems that they're faced with right now is that the corporations - a number of the corporations invested a great deal of money and time into providing subsidiary services for the building of the pipeline.

Of course, they're all now gone, I mean, the need for those is gone. I just point that out as a very specific kind of indication of what the boom, bust kind of thing does, and in this case, affected the nature of the settlement. The real problem with -- one of the problems with that kind of settlement it seems to me, is that it in effect, has been a land extinguishment process and a setting up of a way of continuing through corporations which is very very much -- are that is, and I use advisedly, I think white society or western Europeans method of operating and I think that the you know, one of the results of the Alaska settlement for native people in Canada has been a very clear indicator to them, that that process of land extinguishment and the adoption of that kind of model is in the long run, destructive to the survival of those particular people.

Now, the cry in all of the North, particularly in the light of James Bay, has been very strongly -- we're not about to use that kind of model.

1 We must now make our stand on the basis of some kind of
2 form of non-extinguishment and some kind of real political,
3 social and economic control and my own personal view, from
4 what I've read and my brief experience in Alaska, would
5 confirm that it has been in many ways not the kind of model
6 I would like to see happen, both in terms of a land settle-
7 ment and in terms of the nature of the impact of the dev-
8 elopment anywhere in Canada.

9 Q Okay. Dealing with
10 implementation, I take it from your presentations, gentle-
11 men, that you don't envisage any development until land
12 claims have been implemented. Do you mean entirely implem-
13 ented or is it a degree of implementation that you leave
14 to the native organizations themselves to determine neces-
15 sary before development?

16 MR. CLARKE: Well, certainly, when
17 we talk about implementation, we're talking about the
18 setting up of institutions whereby the basic principles
19 and objectives of the land claim settlement can be carried
20 forward, and --

21 Q Well, I take it you're
22 also talking about other things like land selection and
23 there are other elements to a land claims settlement besides
24 institution, your recognize that?

25 A Oh, of course, of
26 course, but if we talk about economic development or re-

1 source development, et cetera, you have to, there has to be
2 the setting up of the institution, viable institutions, of
3 the native people themselves, to take control over that
4 type of resource development.

5 Q Mmhhh.

6 A And so it's a process
7 of beginning to define regional economic plans and develop
8 those regional economic plans, given the resources that are
9 available to the people of the Yukon, whether that's the
10 fur industry, whether that's timber, whether that's various
11 kinds of construction or whatever.

12 MR. CHAIRMAN: I'm just going
13 to mention, Mr. Roland, it's necessary for us to adjourn
14 at about 12:30, so if you could keep that in mind and
15 complete your line of questioning, if you could, within
16 the next couple of minutes.

17 MR. ROLAND: Well, I take it
18 that in terms of determining when development may occur,
19 I emphasize "may", you would leave it to the native organ-
20 izations to tell your organizations or the rest of us when
21 sufficient implementation has occurred?

22 A Yes.

23 Q Yes. And, being
24 somewhat familiar with Alaska, are you aware that the
25 Alyeska Pipeline was built prior to much of the implement-
26 ation?

1 A Yes, correct.

2 Q And have you ever

3 been able to assess whether the fact that the construction
4 there went ahead prior to a good deal or most of the im-
5 plementation of that land claims settlement, had any prejud-
6 ice to their ability to implement the land claims settlement?

7 A From what we have been
8 able to gather, yes, but I don't have the details on that.

9 Q Mmhm. And could you
10 tell us what that prejudice is, you don't know?

11 A No, I wouldn't be able
12 to give details on that, no.

13 MR. ROLAND: Thank you, those
14 are all the questions I have.

15 MR. CHAIRMAN: I would suggest
16 now that we adjourn until two o'clock. I think that the
17 panel will re-assemble then, Mr. Joe may have some re-
18 examination and the Board members may have a question or
19 two.

20 (PROCEEDINGS ADJOURNED)

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(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

MR. CHAIRMAN: Ladies and gentlemen, I understand we're ready to proceed now and I think we're at the point where I might ask Mr. Joe if he has anything in the way of re-examination.

MR. JOE: No re-examination.

MR. CHAIRMAN: Just one or two questions, gentlemen. I'll be very brief. First, one will be to Dr. Clarke and I'm looking at Page 5 of the prepared evidence. In the middle of the page, is set out the resolution in 1975, past in 1975 in the Anglican Church of Canada and the one which you mention, is the one most clearly pertinent to the concerns of this Inquiry. In the body of the resolution is a request to the Provincial and Territorial Governments to halt planned development until aboriginal claims are settled.

I take it that refers to all development or at least all major developments, does it?

DR. CLARKE: It refers to all major industrial developments.

MR. CHAIRMAN: Including hydroelectric developments for example?

A Yes. Those were part of the discussions at the time of the General Synod, yes.

MR. CHAIRMAN: It might include say the

proposed paving of the Alaska Highway or at least a section of it?

A It's more oriented towards major resource development and if you wish to have more detailed responses to that, I think Father MacKenzie was actually present for the discussion debate at the General Synod at that time, so if there are other implications that he would have to offer, I would suggest that he be called upon.

MR. CHAIRMAN: Father MacKenzie might like to speak to that. This is a broader policy that wouldn't affect -- halt all major development, not simply pipelines per se?

FATHER MacKENZIE: That's quite right.

MR. CHAIRMAN: The other question I might address to Mr. Marshall and it's Page 5 of your prepared evidence Mr. Marshall. As you know, part of our task is to make recommendations to the government as to what further studies should be carried out and what further hearings might be carried out at the second stage of the process, if the government decides to give approval in principle to the Alaska Highway route.

I'm looking at the middle of the page, the memorial to the 27th General Council of United Church of Canada and I think some reference has been made

elsewhere to this in the cross-examination, so I can be
very brief.

In the preliminary clauses there,
reference is made to the fact that no study comparable in
scope and style to the Berger Inquiry is being conducted
concerning the wisdom of a pipeline along the Alaska
Highway.

1 And as to scope, of course, that's correct, I've spoken to
2 this on other occasions to the point where it's been sug-
3 gested to me I'm getting a bit tedious on the point. But
4 in terms of scope, environmental matters are being dealt
5 with elsewhere. In terms of social and economic guides
6 ours is a preliminary appraisal to be followed by the defin-
7 itive or the final, preparation of the final report on soci-
8 al and economic concerns and to be followed also, if the
9 Government approves that route, by the development of de-
10 tailed terms and conditions.

11 So, in terms of comparability
12 and scope, that's certainly accurate. Our exercise is not
13 comparable to that one. I'm wondering though about the
14 reference to style and what specifically you had in mind
15 there other than the time frame.

16 MR. MARSHALL: I would be
17 surmising on behalf of the United Church. I would think
18 scope and style is probably used as a phrase rather than
19 as two separate words. From my observation of this Inquiry,
20 and of the Berger Inquiry, they do appear to be similar in
21 style and I would guess the United Church of Canada would
22 be willing to withdraw a statement like that. The principal
23 intent they're talking about is the amount of time and re-
24 sources which have been available to the Inquiry.

25 MR. CHAIRMAN: I just have one
26 further question on the timing and this, as I say, is re-

1 lated to the question of what recommendations you might make
2 about the nature of a further inquiry. If I understood the
3 exchanges this morning, your position would be, firstly, that
4 it's not realistic or at least not desirable for the Govern-
5 ment to seek to make a decision in principle, between the
6 three main options, Mackenzie Valley, Alaska Highway, or
7 the El Paso, sometimes described as the All-American Route,
8 at this time, and the making of a decision in principle
9 should await the conduct of a full-scale inquiry, perhaps
10 the completion of the second stage inquiry, as we've re-
11 ferred to it, and if it's comparable to Mackenzie Valley
12 Inquiry, that would take three to four years.

13 Now, is it your position that a
14 decision in principle would be appropriate at that time or,
15 if the Yukon Indian claim has not yet been settled and im-
16 plemented, that the decision in principle should await what-
17 ever additional time is necessary for that.

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1 A We believe it should
2 wait until the land claims have been implemented.

3 MR. CHAIRMAN: So that in sum,
4 the decision in principle should wait of that entire
5 process takes ten -- should wait ten years?

6 A Yes.

7 I might add, in terms of what
8 sort of Inquiry information is necessary to a decision, the
9 particular evidence of the United Church is referring to
10 particularly to northern impact. The B.C. Working Group
11 also believes there should be extensive discussions with
12 southern impacts. We're very worried about the style in
13 which the National Energy Board has conducted its hearings
14 and the sort of evidence it considers relevant.

15 So, there are other matters like
16 that, which we also believe should be considered. But in
17 terms of northern impact, it is the sort of thing that you
18 have outlined.

19 MR. CHAIRMAN: The Federal
20 Government has taken the position, and this really is not
21 a matter I suppose for debate in this Inquiry, but I would
22 be interested in your view on this just to get it completely
23 clear, that if in effect the Americans are told that, with
24 respect to moving gas from one part of the United States
25 to another, Canada indeed is not going to be able to make
26 up its mind for ten years, a decision in principle, that that

1 in itself is a decision in principle made immediately in
2 favour of the El Paso or All-American route. I take it
3 you are comfortable with the making of a decision in
4 principle immediately if indeed that's the case.

5 A Yes, sir, we are.

6 MR. CHAIRMAN: Yes.

7 Mr. Joe, you have nothing
8 arising out of that? All right. Thank you very much,
9 gentlemen, for your very substantial contribution to the
10 workings of this Inquiry.

11 (WITNESSES ASIDE: MONK, CLARKE, MARSHALL, MACKENZIE)

12 MR. CHAIRMAN: Mr. Roland?

13 MR. ROLAND: Mr. Chairman, I
14 believe the Council for Yukon Indians is now prepared to
15 call the second panel.

16 MR. JOE: Starting on Mrs.
17 Bohmer's immediate left is Mr. Hugh McCullum, Staff Co-
18 ordinator of Project North. On Mr. McCullum's left is
19 Father Bryan Teixeira, Secretary of the Inter-Church Task
20 Force on Northern Flooding, from Manitoba. On Father Teixeira's
21 left is Mr. John Olthuis who is the Legal Counsel and
22 Research Director for the Committee for Justice and Liberty
23 Foundation, and on Mr. Olthuis' left is Mr. John Dillon,
24 Co-ordinator of the GATT-Fly Project.

25 HUGH McCULLUM, Sworn

26 FATHER BRYAN TEIXEIRA, Sworn

JOHN DILLON, Sworn

MR. JOE: Starting with you

MR. MCCULLUM: My witness

MR. JOE: Father Teixeira?

FATHER TEIXEIRA: I am a priest in the Roman Catholic Church and have a B.A. in B.Th. , I have studied social action and social change in Europe under the auspices of University of Geneva and the World Council of Churches, and also in Toronto, so I have some background in community development and I also train people in community development through the churches and through the University of Winnipeg. I have worked four years now in Winnipeg on native concerns, both in the city and across the province.

1 MR. JOE: Mr. Olthuis.

2 MR. OLTHUIS: I graduated from the
3 Faculty of Law at the University of Alberta in 1964. I was
4 admitted to the Alberta Bar in 1965 and practiced law in
5 Alberta from 1965 to 1967.

6 In 1967 to 1973, I was the executive
7 director of the Institute for Christian Studies in Toronto
8 and legal counsel for the Ontario Alliance of Christian
9 Schools.

10 My major concern during that period
11 was an examination of the relationship between the biblical
12 principles of justice and current socio-economic issues in
13 Canada.

14 In 1973, I became legal counsel and
15 a research and policy director for the Committee for Justice
16 and Liberty Foundation. My work in the capacity is concentra-
17 ted on energy policy in Canada, with the major focus being
18 on the matter of northern energy development.

19 MR. JOE: Mr. Dillon.

20 MR. DILLON: During the past five
21 years, I have worked as co-ordinator of the GATT-Fly Project,
22 doing both research and political action in questions of
23 international economic order and social justice questions
24 arising out of patterns of resource development.

25 Prior to that I did community develop-
26 ment work and also studied socio-economic questions in Latin

America and prior to that I did academic work in the fields of philosophy and theology.

MR. JOE: Thank you. Now, perhaps starting with you, Mr. McCullum, could you begin to read your evidence into the record? And I should indicate at this time, Mr. Chairman, that due to the rather compressed time frame that we are in, a number, or a few of the panel members may have to summarize their evidence and in that respect, I understand that their evidence In Chief will nonetheless go into the record and that they still can be cross-examined on what they don't read in, but what they have summarized.

MR. CHAIRMAN: Yes, that's my understanding, Mr. Joe. The transcript will carry the complete statement and we much appreciate your co-operation in responding to the time constraints that we have.

MR. HUDSON: Mr. Chairman, I'm sorry to interrupt, but I think perhaps this is an appropriate time for me to put on the record a concern which echos one of Mr. Horton's at this time, and that is the evidence relating to national impacts, social or economic, and the view held by myself and my colleagues that we can't see that within your terms of reference. For myself, I propose to cross-examine accordingly, but we have not brought forward evidence on national - to this hearing, of national importance or impacts and we are not here with the backup to prove, to do the cross-examination on that. All resulting from our understanding of

1 the terms of reference that that is not an issue that's being
2 addressed by you, Mr. Chairman.

3 MR. CHAIRMAN: I understand that,
4 Mr. Hudson. We certainly have no desire to trespass into the
5 domain of the National Energy Board. The boundaries are
6 sometimes a bit indistinct and I'm sure participants will
7 understand if I interject from time to time when it appears
8 to us that perhaps we have crossed that boundary.

9 MR. HUDSON: Thank you, Mr. Chairman.

10 MR. JOE: Mr. McCullum.

11 MR. MCCULLUM: During the past two
12 years, while researching material for two books, magazine
13 and newspaper articles on northern development, and as staff
14 Co-ordinators of the Interchurch Project on northern develop-
15 ment, called Project North, particularly as it affects, it
16 is affected by native land claims, a distinct pattern
17 emerges whether we visited the Northwest Territories, the
18 Yukon, northern Manitoba, northwestern British Columbia or
19 northern Quebec or northwestern Ontario.

20 Initially, each massive energy or
21 industrial development we encountered seemed to have its own
22 set of dimensions, its own problems and its own way of dealing
23 with local and regional situations. This is the way it seems
24 governments would like to see Canadians deal with the North,
25 in a diffuse, uninformed and indifferent fashion. Only some
26 vague notion of public or national interest is given as the

1 reason for these projects.

2
3 However, as our travels increased and
4 as we began to spend more time with the people of the North
5 each project took on clear similarities until it was evident
6 that the same ingredients pertained in each, only the loca-
7 tion and the names of the actors were different.

8
9 With the emergence of this pattern
10 which some students of political economy refer to as colonial
11 development came an increasingly disturbing feeling that
12 all was not well in the North. Legally, some of the projects
13 were in doubt, yet they rolled on inexorably. The moral and
14 ethical questions that public interest and native groups
15 attempted to raise were quickly dismissed with this "greater
16 public good" argument.

17
18 On the taking of Indian land against
19 the will of the Indians, the former Minister of Indian and
20 Northern Development publicly compared it with the plight
21 of his neighbours, who had to give up twenty feet of their
22 lot so that the street could be widened in the general in-
23 terest! When we examined this statement in light of actual
24 development schemes, it seemed to leave some unanswered
25 questions.

26
27 Take, for example, the Manitoba
28 Hydro development project. The underlying assumption by the
29 Minister is that, if it has been established that the Church-
30 hill River diversion is in the general interest of Manitoba

1 as a whole, then that interest should prevail over the in-
2 terest of the local people who, in this case, happen to be
3 the Cree bands of some eight communities and reservations.

4 But we believe there is a serious
5 flaw in this argument, one that we found over and over again
6 in looking at northern development projects.

7 It pretends that taking that taking
8 twenty feet off the front lawn of a city street is analogous
9 to destroying the community of Nelson House. From a moral
10 and ethical point of view - from a people point of view, if
11 you like - this is simply absurd. Land in a southern city
12 is valued as a marketable commodity and therefore compensa-
13 tion and the "greater" good make the expropriation justifi-
14 able. But in Nelson House, the natural environment and the
15 natural resource of the people - their land and its surround-
16 ings - are not marketable commodities, any more than is the
17 air we breath.

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Money or the things money can buy cannot be seen as compensation for the kind of loss of a natural resource that is involved in Northern development projects but that natural resource, the land, is not regarded by the native people as merely a means of making money. It sustains a specific life style and supports a community which, to the people we talked with, means a history, a community, a present and a future, not just a collection of individuals who might want a wider better paved street. It is an insult to the sensitivities of both Indian and white people to claim that these two situations are similar.

As we've moved about the North, our unease grew as we began to understand a little of what the native people were saying to us wherever we went. We began to get a glimmer of the fear and apprehension, the insecurity and frustration that came with every appearance of a survey crew or a hydro engineer or a pipeline engineer or a government planner. They knew nothing of what was happening to their land. The only absolute was the endless supply of rumours and the stakes that appeared on their land and the lines that were drawn across the maps.

Out of this came a book in early 1976 called This Land Is Not For Sale, which is an attempt to show how the analogy described earlier is but one example of the total picture of Northern Development. Whether it was the Northwest British Columbia Development

1 scheme. the Nelson-Churchill River Diversion scheme, the
2 James Bay Hydro development scheme, the Reed Paper proposal,
3 The Mackenzie Valley Pipeline of The Alcan route, the
4 essential elements never vary. A year later we updated our
5 research and examined the relationships between North and
6 South in a second book called Moratorium. We have travel-
7 led more than two hundred and fifty thousand miles in the
8 North in the last two years and met with countless Northern
9 people -- many of them natives. We met the government,
10 pipeline and industrial people, we attended innumerable
11 community meetings, sat through trials and hearings, read
12 consultants' reports and studied the issued from every angle.
13 We used the skills of twenty years of journalism to try and
14 do the hard job of investigating and analyzing how Northern
15 development projects do more -- much more -- than merely
16 meet the needs of an insatiable consumer society.

17 The purpose of this brief is to
18 try and synthesize for this inquiry the elements of this
19 pattern of Northern development. We also suggest that the
20 essential problem lies in the attitude of governments, cor-
21 porations and many white Southerners that the havoc wreaked
22 on cultures other than our own by these projects is justifi-
23 able because native people should be assimilated or integrat-
24 ed into our society and therefore become like us.

25 Crown corporations, private
26 corporations and the sociologists they employ to study the

1 indigenous people affected by these developments speak
2 euphemistically about accelerating the transition from
3 traditional to modern life style, from a subsistence economy
4 to a wage economy. Indeed, this was one of the major argu-
5 ments advanced by Hydro Quebec when confronted by the des-
6 truction to the ways of life of the Cree and Inuit of
7 Northern Quebec by the James Bay hydro project. The
8 evidence of Charles Hobart, a sociological consultant for
9 Arctic Gas at both the Berger Inquiry and the National
10 Energy Board urged this transition and his evidence was
11 severely challenged by Dene witnesses. We will attempt to
12 analyze the remainder of this evidence, the common elements
13 of massive industrial developments on the North and their
14 effect on the native residents of those areas.

15 While our travels and research
16 took us to almost every part of Northern Canada, we will
17 concentrate on three major areas outside the Yukon and
18 Northwest Territories, namely, Northwestern British Columbia,
19 Northern Manitoba, and Northern Quebec.

20 The common elements. These
21 massive industrial development projects are invariably huge
22 and usually involve enormous expenditures of money in the
23 construction phases. Energy production of some sort is the
24 key element in many of them and a large influx of outside
25 construction workers is inevitable.

26 The James Bay project was touted

by Premier Robert Bourassa during the 1971 election campaign that saw its launching as "the largest single industrial undertaking ever conceived in Canada," quote. The project of the century, Premier Bourassa called it, promising an expenditure of six billion dollars, a hundred and twenty-five thousand jobs for Quebec, five hundred miles of road, sixty miles of dikes, and so on. The rationale behind the project of the century was to help the alleged energy crises in the Northeastern United States and in the process, solve unemployment and economic problems in Quebec.

This project has been modified somewhat since. The cost has gone up, today, although not complete, has spent sixteen billion dollars and may well reach thirty billion dollars before completion.

Perhaps the cost of the pipeline here will similarly escalate so that it can claim to be the biggest project ever. The number of dams and diversions has been reduced as a result of the James Bay settlement but the essential elements remain the same.

Similarly, in Northern Manitoba, a project to divert the Churchill River into the Nelson River was first conceived back in 1964 as, quote, an engineer's dream, and while it is not yet complete, its four billion dollar cost with a seventy-seven hundred megawatt capacity makes it, in the words of one engineer, gigantic. Its potential to cause flooding and erosion of shoreline and other environmental problems is considerable.

In Northwestern B.C., the scheme is small in terms of money. A mere outlay initially by the Federal and Provincial Governments of some five hundred million dollars, but the dream of capital outlay is totally more than ten billion dollars on hydro dams, railways, instant towns, super sawmills, copper mines, a steel mill, highways, a superport, was envisaged in the aid of twenty thousand new jobs and a boom for that quadrant of the province stretching up the coast from Kitimat to the Yukon border.

An oil pipeline proposal has only recently been temporarily shelved. Federal and Provincial money was to be spent supplying services for the development of the natural resources, it was hoped by American and Japanese interests. These three huge projects in Manitoba, Quebec and British Columbia, where in every instance, planned, announced and undertaken without any involvement of the people who would be most affected.

In each case, the planning was done secretly. In each case, the projects were announced with great fanfare in the south by governments and corporation officials far removed from the scene. In all instances, the involvement of both Federal and Provincial Governments was essential if the projects were to commence.

In Northwestern B.C., the funding for the development project was fifty-fifty between the

1 province and D.R.E.E. In Manitoba in 1966, the province and
2 Ottawa signed an agreement to proceed with the project with
3 Ottawa to build the necessary transmission lines to allow
4 for the export of power. In James Bay, the Federal Govern-
5 ment agreed to extinguish forever, native land claims so
6 the project could proceed unimpeded by legal actions which
7 had actually halted it for eight days.

8 In every case, acknowledged
9 experts have seriously and to this day, questioned the need,
10 the feasibility and the economics of all these projects.
11 Testimony before the now famous Malouf injunction
12 hearing in Quebec, the longest in legal history in Canada,
13 over and over again called the project of the century, an
14 engineering, environmental and economic disaster.

15 I'll skip over the next bit and
16 pick up at Northwestern British Columbia. (See next page).

17 As you know, Mr. Chairman, there
18 have been with the exception of some areas of the Peace
19 River country, no treaties signed between the aboriginal
20 people of British Columbia and the Federal Government.
21 Consequently, none of the land affected by the scheme to
22 turn the one hundred thousand square miles of the North-
23 western part of that province into an industrial park, has
24 been treated for. Its aboriginal title is held by the
25 native people.

26 In the case of the Nishga, whose

testimony given by engineers during a variety of inquiries into aspects of the Nelson-Churchill Agreement attributed that existing sources of electricity will meet Manitoba's needs until 1991, that the hydro is needed for export to the Midwestern United States and that the haste in which the project was undertaken has compromised the time needed to conduct the necessary environmental, social and political studies needed to safeguard the rights of the Native people.

In Northwestern B.C., where government officials blandly insist there is no Northwest Development Project, a failing pulp industry and weak world copper prices have slowed the hoped-for influx of foreign capital but the highways, saw mills and clear-cut logging continue without abatement.

However, all these common features, pale beside the utter disregard for the rights, culture, life style and aspirations of the people who have occupied the land in question since "time immemorial".

Let us here trace briefly the history and involvement of the Native people in each of these three areas. The similarities are startling, the impact on their lives frightening.

5,000 square mile claim lies almost in the centre of this development scheme, is perhaps the most glaring example. The Nass River Valley to its twenty-two hundred inhabitants in four villages, has been the proud and relatively comfortable homeland of the Nishga for centuries. Fishing, logging, hunting and trapping are their main livelihood. They have pursued their demands for a just settlement of their claims for one hundred and seven years. Eighteen months ago, they commenced actual negotiations with Ottawa and Victoria, only to have the process stalled again since October of 1976, but the logging, the surveying and the planning continues apace..

But at the time of the great Northwest project, these claims were totally ignored by the planners in Victoria and Ottawa. Indeed, one of the essential elements of the project was the construction of a branch of the Canadian National Railway through Nishga land, to help open up copper ore deposits further north. Surveyors were sent out and the first thirty-eight miles of right-of-way were mapped when the C.N.R. crews one day chanced to enter the land the Nishga call their own. They were politely turned back and today, some five years later, the Canadian National Railroad remains halted at Mile 38. The Nishga have therefore been accused of blocking progress.

When one drives through their stunningly beautiful valley, as we have done on many occasions, the pock-marked mountain sides strike a jarring note. CanCel,

1 a crown owned pulp corporation, formerly privately owned,
2 has removed hundreds of thousands of feet of timber. Our
3 first trip through there caused us to remark on this blemish
4 in an otherwise almost idyllic setting. One of the chief
5 Nishga councillors pointed out that all the timber was on
6 Nishga land and that "not one cent of royalties has ever
7 been paid to us for the use of our land."

8
9 When the Nishga halted traffic
10 on their logging road and demanded self-government in their
11 valley, some of the people of Terrace accused them again
12 of blocking progress. Yet an enormous project, a 400 mile
13 railway and increased logging had been planned and announced
14 without one word of prior discussions with these people who
15 have peacefully and continually sought to have a fair
16 settlement negotiated for their land.
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1 In addition the Nass Valley
2 contains large mineral deposits, hydro potential and tourism
3 attractions. The Nishga very rightly fear the development
4 that these portend and have become leaders in the battle
5 to have the development scheme's proposals made public,
6 calling for citizen participation, slower growth and a
7 change in plans.

8 The C.N.R. has abandoned its
9 rail plans for the moment, the logging industry is presently
10 in a decline, copper is not of immediate interest. But
11 the plans exist and the people wonder. As one talks with
12 whites and natives alike in the streets of Terrace the
13 rumours abound.

14 Here, as elsewhere in the
15 North; the insecurity and the uncertainty of the future
16 tends to exacerbate race relations. The boom and bust
17 mentality created by schemes that call for a huge influx
18 of outsiders strains existing social services to the
19 breaking point. Alcoholism, family breakdown, suicides,
20 unemployment and welfare mark the lives of many of the
21 residents of Terrace, Kitimat and Prince Rupert.

22 The Nishga do not want all
23 this to invade their valley. Yet the very planning
24 process that produced the northwestern B.C. project failed
25 to involved the people whose valley lies in the centre of
26 the project area.

1 Studies undertaken after the
2 Canadian National Railway started to survey its right-of-way
3 were suppressed because the railroad deemed them unfavourable,
4 but a copy has come into our hands. It indicates to the
5 C.N.R. that work should halt until land claims are
6 settled. The response of the project manager of the time
7 was merely that he was in Terrace to build a railway, not
8 to get into any kind of political hassle.

9 He told the Nishga that
10 surveying a rail line should not affect their land claims,
11 the C.N.R. did not wish to take over their homeland and
12 he expressed bewilderment at their obduracy in refusing
13 to allow the survey to be conducted. It sounds to us, sir,
14 similar to the statements of the pipeline companies to
15 the effect that they too wish land claims settled but
16 that building the pipeline need not prejudice the case of
17 the Yukon Indians. To Indian people - and to us - such
18 statements defy common sense.

19 Since Father Teixeira is
20 going to be dealing with northern Manitoba in his evidence,
21 I'll skip over that from page nine until the middle part
22 of page twelve, presuming it's going into the record.

23
24 "In the remote areas of
25 this province, some 600 and more miles north of
26 Winnipeg, most of the Cree people have signed away

1 their aboriginal rights in the form of land
2 treaties and now live on reservations.

3 As you know, lands reserved
4 for Indians are the responsibility of the Minister
5 of Indian Affairs. According to the Indian Act,
6 this land cannot be bought or sold without his
7 consent and the consent of the people who own it,
8 in this case the people of Nelson House, Cross Lake,
9 Norway House, Split Lake, York Landing and Fox
10 Lake. Nor can it be expropriated without
11 ministerial consent.

12 Yet the Churchill River
13 Diversion Project directly 'interferes with the
14 use and benefit of the lands reserved for Indians
15 and deprives Indian people of the option for the
16 co-operative development of these assets to
17 which they are entitled', as Henry Spence,
18 chairman of the Northern Flood Committee, told
19 the Minister of Indian Affairs at Cross Lake on
20 June 25, 1974.

21 Spence, a Cree, said that
22 encroachment on Indian land by flooding or by
23 changing its nature was a violation of the Indian
24 Act by the Manitoba government and Manitoba hydro.

25 But the project continues,
26 the floodgates are open, the water is rising on

1 the reserves.

2 The scope of the project
3 has also been scaled down a couple of instances,
4 the most dramatic being at South Indian Lake
5 where initial plans called for the flooding of
6 most of the community and drastic alterations
7 in the ecology of the whole area. The flooding
8 has now changed the Cree village substantially.

9 Also changed was a project
10 structure on Lake Winnipeg which would have
11 affected a number of cottages belonging to whites
12 from Winnipeg. Immediately, controls over this
13 flooding were instituted and cottages saved.

14 This apparent disparity
15 in the treatment of the playground of southern
16 whites and the homeland of northern natives
17 raises interesting questions.

18 The communities we have
19 mentioned are represented by the Northern Flood
20 Committee, a coalition trying to represent the
21 rights and demands of the people of the area. The
22 Manitoba government has been extremely reluctant
23 to deal with a unified and vocal group, preferring
24 instead the less onerous and less expensive method
25 of compensating individual trappers and hunters.
26 The devisiveness of this policy is apparent. The

1 negotiating process has been incredibly slow due
2 to the reluctance of Ottawa and Winnipeg to take
3 seriously their responsibilities to the Cree.
4 Nelson House Reserve located on Footprint Lake,
5 some sixty miles from the mining and smelting
6 town of Thompson, Manitoba is expected to be one
7 of the most seriously affected reserves. No one
8 can obtain the secret documents of Manitoba
9 Hydro delineating the exact nature of the flooding
10 but most experts estimate it to be some four
11 thousand acres of the reserve with water levels
12 raised by perhaps seventeen feet. With ice jams
13 in the spring, flooding could go as high as thirty
14 feet.

15 The key here is that no
16 one, including Hydro, knows precisely what will
17 happen. The people, some of whom, still live off
18 the land, don't know. They do know, however, in
19 their innermost feelings -- in their guts -- that
20 things have changed and will never again be the
21 same. Water levels have fluctuated. The source
22 of their drinking water "stinks", we were told,
23 and the fish are unfit to eat.

24 Everyone was frightened.
25 The school would be flooded, one said. No, another
26 said. The community will be cut in three some feared.

1 Hepatitis outbreaks were blamed on the water.
2 Diarrhea was common. The nurses could not allay
3 the fears. Nelson House, we know, was a happy
4 cohesive community. Now it is a frightened,
5 sullen place and no one knows what to do.

6 It is clear that some
7 four thousand acres of their land will either go
8 under water or be drastically altered by the
9 scheme. Other communities are similarly
10 affected.

11 Is not the action of the
12 Nelson-Churchill River Diversion Scheme expropria-
13 tion by flooding? The question returns to the
14 responsibilities of the Indian Act, under which
15 the Minister is made the trustee of the interests
16 of Indians. Could any other trustee get away with
17 such wanton neglect of the interests of his
18 beneficiaries? Surely the legal requirement of
19 ministerial consent as a condition of expropriation
20 is intended to impose an obligation on the Minister
21 to ensure that the interests of Indians are given
22 their full weight in such cases. No doubt the
23 Department will try to hide behind the legal
24 niceties of expropriation procedure. However, in
25 northern Manitoba it is clear that the interests
26 of native people and the Department's role as

1 trustee for those interests were cynically shrugged
2 off for many years. When help came, it was too
3 little and too late. When the Yukon Indians hear
4 government arguments that it can resort to the
5 expropriation powers granted under the National
6 Energy Board Act, they should take no comfort
7 from the record of Department of Indian Affairs
8 in northern Manitoba; the Yukon Indians will have
9 to rely on their own efforts.

10 Despite pleas from the
11 people of these communities, it was not until
12 September of last year that the Northern Flood
13 Committee could persuade the Minister that they
14 even had a case. The next step was to ask for
15 further information from the province rather than
16 institute legal action against the province. Finally
17 mediation procedures were initiated but even these
18 have been stalled for many months.

19 The pattern repeats itself.
20 The plans were conceived in the south, for the
21 south. The motive was more and cheaper hydro for
22 the south. The people first knew about the threat
23 to their land when the surveyors arrived, when the
24 stakes and lines appeared on their lands, when the
25 rumours started to fly.

26 The studies which were

1 commissioned were rarely made public; the impact
2 was accidentally or deliberately downplayed. The
3 infamous "Lime Green Brochures" (so named because
4 of the hideous colour of their covers) issued
5 by the Premier's office in January of 1975 were
6 the first official word many of the communities
7 received about the effects of the diversion on
8 their homes, yet the agreement between Ottawa
9 and Winnipeg was signed in 1966, nine years
10 previously.

11 The content of the brochures
12 themselves indicated part of the pattern -- the
13 people were given some good news and some bad
14 news.

15 First, the bad news. In
16 the public interest, nine years after the decision
17 was taken, we must tell you that some of your land,
18 docks and traplines will be flooded.

19 Many of the animals will
20 move away, and the fish will die, but you will get
21 some compensation. (One trapper told us in Nelson
22 House of getting seven hundred dollars for his
23 cabin, and the next day Hydro crews pushed it
24 over with a bulldozer. "Why"? he asked us).

25 The good news followed.
26 Because of the increased availability of electricity

1 in the north from the project, the people could
2 now have colour T.V., and direct dial telephones".

3 Perhaps the most tragic
4 example of all the massive projects on the life and future
5 of northern natives is to be found in Nouveau Quebec.
6 Tragic because the six thousand Cree and four thousand
7 Inuit fought so hard, lost so much and ended up with a
8 settlement now being heralded as a model for all future
9 land claim settlements, including the land claim here
10 in the Yukon.

11 Once again the same pattern
12 emerges when we look at the James Bay projects and its
13 effects on the indigenous people.

14 Very few of the Cree and Inuit
15 speak any language other than their own. And almost none
16 speak French. So when Premier Bourassa unveiled his project
17 before an election audience in 1971 the people who would
18 ultimately be the most seriously affected were completely
19 unaware of this momentous event, for they lived many
20 hundreds of miles to the north. To suggest to the Cree
21 hunters that their rivers would dry up, their estuaries
22 turn into saline swamps, the birds and animals change their
23 habitats and the fish spawn elsewhere was so remote as to
24 be incomprehensible. The people still lived much as they
25 had for many years. The land was their life.

26 There were no treaties here,

Even after the announcement in 1971 there was no immediate move by the Government to negotiate a settlement. No handful of natives was to be allowed to stand in the way of the mighty plans.

1 It took heavy pressure from Indian organizations in Quebec
2 and Ottawa to remind the then Minister of Indian Affairs,
3 Jean Chretien, of his constitutional responsibilities and
4 even stronger pressure on the Quebec administration before
5 any attempt was made to settle Indian rights.

6 In fact, it took the courts to force
7 the politicians to the negotiating table. Only when total
8 shutdown of construction was imminent did a proposal to
9 negotiate come forth. But in the meantime, work was proceed-
10 in on the diversions and dams at a rapid pace.

11 By the time an agreement was reached
12 to begin negotiations in late 1974, the James Bay Hydro
13 Development Project was irreversible. One year later, on
14 November 11, 1975, the Cree and Inuit reached a settlement
15 which has only just been legislated by Quebec and Ottawa. It
16 appears to be different from the treaties negotiated at the
17 end of the last century, but its philosophy remains the same.

18 The Crown extinguishes all claims
19 by the Cree and Inuit to the land and in return gives them
20 monetary compensation, hunting, fishing and trapping rights
21 and some land, similar to the reservations in other parts of
22 Canada.

23 Senior negotiations we have discussed
24 this settlement with agree on one mainpoint. After the heavy
25 costs and emotional exhaustion of the long injunction hearings
26 in 1974, and the subsequent agreement in principle, it became

1 clear that the two levels of government plus the combined
2 foreces of Hydro Quebec, the James Bay Energy Corporation
3 and the James Bay Development Corporation were united in the
4 understanding that the project must go through. "In the
5 public interest" it could not be stopped.

6 "From the outset, it was clear that
7 we were negotiating with a gun to our heads", Charlie Watt,
8 President of the Northern Quebec Inuit Association told us.
9 "The idea was to get the best we could in one year - the
10 deadline imposed by the governments." It was clear that no
11 further government funding was to be available for court
12 actions. It was clear that the Quebec courts were unsympa-
13 thetic to the stance of aboriginal rights in the face of the
14 multi-billion dollar cost to the Quebec treasury. It was
15 also made clear that the federal government was committed
16 to a policy of extinguishing aboriginal title and the natives
17 believed that if they did not negotiate a settlement, that
18 one, perhaps less favourable, would be imposed on them.

19 Just over a year ago, we visited the
20 fifteen Inuit settlements of Artic Quebec. In some, there
21 is outright hostility to the settlement, in others apathy,
22 in still others a determined attempt to live within the
23 terms of the agreement. But no one of them understands why.
24 Out of the blue, less than six years ago, a political deci-
25 sion, taken in a place as remote to most Cree and Inuit as
26 Central Africa, has changed their lives beyond recognition

1 forever, and no one ever bothered to really ask them how they
2 felt. It was deemed to be in the public interest.

3 The Inuit were not seriously faced
4 with the immediate affects of the James Bay project, but
5 Ottawa insisted on a settlement for the whole area. They
6 are the first of their race ever to negotiate and settle
7 a land claim with the Canadian government.

8 Again, an enormous, secret, unstudied
9 energy project has been unleashed on the people and the fra-
10 gile environment of the North and no one, including the
11 Quebec government, knows what the long-term impact on the
12 people and their land will be.

13 Mr. Chairman, we could go on to
14 describe the situations in the Athabasca Tar Sands of North-
15 ern Alberta, Northern Saskatchewan, the appalling disaster
16 among the Indians of Northern Ontario and Northern Quebec
17 who are victims of incurable mercury poisoning. The patterns
18 repeat themselves endlessly as technological society makes
19 its encroachments further and further North. Some people
20 move deeper into the bush to escape, others try to cope
21 with an alien culture. What has been the result?

22 A race of people exists in Canada today
23 that is fifty to sixty percent unemployed. More than twenty-
24 five per cent of the budget of the Department of Indian
25 Affairs and Northern Development is for welfare. Ninety-four
26 per cent of Indian students in Canada - and I understand the

1 figure is higher in the North, drop out of the school system.

2 The grandiose projects outlined in
3 this submission, as well as the pipeline projects, all carry
4 with them promises that jobs will be found for native resi-
5 dents of the North; predictably, a similiar claim is made
6 here by the pipeline companies. In James Bay where the
7 work force has been estimated at nearly seven thousand,
8 fewer than one hundred natives were employed in construction
9 and most of these in the most menial of jobs.

10 One almost hesitates, Mr. Chairman,
11 to turn to the ravages of alcoholism among native people
12 and the attendant breakdown of traditional values.

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That alcoholism is almost an epidemic among white society, is no longer arguable, it is considered to be a fact. But among native people who lose for the first time, their land-based economy and were forced into the wage economy in the construction phase of a huge development project, the results are inevitably disastrous.

From a small, closely knit and cohesive community, people are herded into larger, more easily administered villages. The land will not support all these people, so the wage economy is thought to be the answer. If one shock to the system doesn't work, the treatment proposed is more shocks. Lacking the skills of southern white construction workers, both in technical aspects and in working habits, the native person is usually relegated to the most menial of tasks and is treated with barely disguised contempt by his co-workers. They are usually the last to be hired and the first to be let go.

Certainly Judge Berger saw little benefit from this style of development for the Dene of the Mackenzie Valley. Unable to fit into this highly competitive and almost totally foreign environment, the native person drifts back to the community where few jobs are available and the land often unsuitable for his traditional way of life. The result is welfare, boredom, lack of identity and the inevitable drift into alcoholism.

Native people we talked with in

The construction towns and base areas for these three projects we have described, invariably are located within or close to large concentrations of Indian people. The white man's image of the dirty, lazy, shiftless native person too often results from a basic racism which is rampant around northern construction camps and towns. Yet this demeaning portrait is often, we were told, fostered by

the very minority of native people who are seriously attempting to survive.

Clearly when examples of native people struggling to win equality or political power are exhibited, the white population greets these attempts at self-determination with growing hostility. To our knowledge, there are concerned people here in the North who would say that the phenomenon we are describing, sounds very much like towns in this territory.

Alcoholism and irresponsibility, a priest in Northern Quebec told us, are firmly fixed in the minds of white people as typical behaviour by natives. The image enables whites, he said, to ignore the injustice and provocation with which they treat native people. Often employers are able to dismiss native people as irresponsible drunks and thereby justify what appears to us to be racist hiring practices. Native workers, this same priest told us, go along with that image in hopes of salvaging a few jobs, knowing they can never compete on an equal footing in these construction camps and staging areas.

The fact that it was white construction workers who almost totally destroyed the LG-2 construction camp in the James Bay project and without the benefit of alcohol some eighteen months ago, is conveniently ignored, when these discriminatory practices are raised. The ravages of pipeline construction in Fairbanks should be a

McCullum, Teixeira
Olthuis, Dillon
In Chief

4438

1 grim warning to people in Whitehorse, native and non-native.

2 A medical doctor in Northern
3 Manitoba confirmed the destruction wreaked by drinking.

4 "Any comment I could make on the health problems--
5 both physical and mental of the Cree people in this area,
6 (Thompson) must take almost total account of the ever-
7 increasing use of alcohol. With improvements in
8 transportation more permissive liquor laws and increased
9 welfare benefits there are few, if any, communities in the
10 whole project area where alcohol is not the most serious
11 problem."

12 It is a question in our minds
13 whether welfare or alcoholism is the most pernicious form
14 of repression in the North. Certainly welfare keeps people
15 passive anywhere and in the North turns people into captives
16 of the economic treadmill they find themselves on.

17 As more and more people move
18 into larger communities where job opportunities do not
19 exist and a land based livelihood is impossible because
20 projects and environmental damage have driven the game
21 further away, a paternal government has instituted a welfare
22 system that has tended to destroy almost completely the
23 traditional way of life.

24 One reason, of course, is the
25 almost slavish imitation of southern bureaucratic processes
26 which treat anyone not a wage earner as either unemployable

1 or disabled when in reality that person still derives much
2 of his subsistence from the land. But welfare policies
3 and procedures we found across Canada drive Native northerners
4 into almost total dependence. For easier administration,
5 people are "bribed" by offers of "free" housing and, once
6 there, are further "bribed" by making administration simpler if
7 they claim total dependence.

8 The second reason, of course, is
9 many years of believing, first from the churches, and later
10 from the bureaucrats, that the white man's role is to care
11 for Native people economically.

12 Is it not time to recognize
13 that no one else can, or should, take care of a people
14 economically, that people must take care of themselves
15 if there is to be development worthy of the name? True,
16 it is easier said than done, but it cannot happen unless
17 it is allowed to happen. The Yukon Indians feel strongly
18 that a pipeline prior to a land settlement will hopelessly
19 prejudice their claim. Is not the worst prejudice that they
20 risk being denied the opportunity to work out the community-
21 based alternatives that they are just now beginning to
22 articulate?

23 Mr. Chairman we have also spent
24 a great deal of time in the Northwest Territories but feel
25 the magnificent report of Judge Berger speaks only too
26 eloquently of the grave impacts faced by the Dene and Inuit

1 there, Why we ask, simply because a highway has already
2 been built here would these solio-econonic impacts be any
3 less here?

4
5 Mr. Chairman, we have also spent
6 considerable time in the Yukon in the area where your
7 Inquiry is of special interest. In this attempt to draw
8 parallels of the impact on Northern narive people of massive
9 industrial-style development, we have purposely stayed away
10 from the details of the situation here since you are already
11 becoming familiar with it. But we believe the Yukon Indian
12 people understand only too clearly, that the same impact
13 faces them and that the consequences of the extinguishment
14 of their aboriginal rights are enormous for the same forces
15 of social breakdown prevail here as elsewhere.

16 Project proponents have
17 acknowledged that there will be problems, but they have
18 tended to minimize these problems and to assure the native
19 people that a benevolent and all-powerful government,
20 coupled with enlightened corporations will deal with these
21 problems in a fashion calculated to improve the lot of
22 northern natives.
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1 The power of the Government is
2 obvious, but its benevolence, to be candid, is very much in
3 doubt. One cannot fail but to be impressed by the evidence
4 compiled by Professor Dosman in his book, The National Inter-
5 est, to the effect that the Federal Government long ago made
6 up its mind about pipelines across Canada's North and more
7 recently, statements by Cabinet Ministers indicate that it
8 is merely a question of choosing routes. Moreover, David
9 Crane in the Toronto Star, on October 16th, 1975, in an art-
10 icle based on Dosman's findings, concluded that "government
11 strategy was to get pipelines built as quickly as possible
12 before native organizations, excuse me, before native groups
13 could effectively organize.

14 The tactic was one of delaying
15 negotiations with native groups until the pipelines were
16 built and oil and gas development well under way. The
17 Science Council of Canada, in its study on Northern develop-
18 ment, criticized the Government's plans because it, quote,
19 ignores environmental concerns and the effect that massive
20 petroleum development will have on native culture in the
21 North. All the native people can do now is to react to a
22 decision. They have never been regarded as equals and never
23 been brought into the decision-making process. It's time
24 that people concerned with these things, like the native
25 people, get a say before commitments are made, quote from
26 The Globe and Mail of January 30th, 1976. It may be clear

1 that the Government will be forced to change its mind, but
2 it seems clear that the onus lies on others to raise troub-
3 ling questions. Certainly native people can properly assert
4 that they cannot rely on the Government to protect their
5 interest, indeed, they cannot even rely on the Government to
6 be impartial in mediating between the interests of themselves
7 and the developer.

8 As to the corporations, every-
9 where they promise jobs but their capacity to deliver
10 typically falls short of the promises. Even where the jobs
11 do materialize, we cannot ignore the repeated statements of
12 native people that they do not wish to be integrated into
13 the white man's society, or if they do wish to join the
14 wage economy, they wish to do so on their own terms.

15 Finally, as one cabinet minister
16 in Quebec put it, with complete seriousness -- we are only
17 hastening a process that is inevitable, so why not allow the
18 natives in this case of James Bay to enjoy the benefits of
19 high wages ten years sooner. That very same week, in Fort
20 George, five construction workers took two Cree girls out
21 of the settlement, raped them repeatedly and then left them
22 to die. When their relations went after the men with rifles,
23 outraged whites talked about the violent and savage Cree.

24 In conclusion, Mr. Chairman, we
25 believe that the parallels we have outlined are self-evident.
26 They exist in the areas which, for the most part, are clearly

1 Northern and obviously the projects bear unmistakable simil-
2 arities in terms of their impact. We would like to ask your
3 indulgence a little further to list these similarities again
4 because we believe they also apply to the proposed Alaska
5 Highway Pipeline.

6 The projects are all planned in
7 the initial stages secretly, developed outside the area con-
8 cerned, and announced as if they were final decisions. There
9 is no regional input in the planning process nor participation
10 by the people most directly affected in the critical initial
11 phase. In most cases they start out simply as lines drawn
12 across a map, utterly ignoring the fact that human beings
13 occupy this land and have done so since the dawn of time.
14 Without exception, they involve native lands that are, quote,
15 protected by the Indian Act or are still unextinguished,
16 aboriginal land. The projects invariably are enormous in
17 scope, involving billions of dollars, thousands of outside
18 labourers, and are environmentally hazardous. They are put
19 together with the full participation of federal and provinc-
20 ial or territorial bureaucracies, usually involving people
21 with no direct accountability to those within the affected
22 area.

23 Invariably these projects rely
24 heavily on American or other foreign markets and capital
25 investment. They are , without exception, extremely socially
26 disruptive. Often they are badly planned from technical

1 points of view and again, without exception, cost double,
2 triple, indeed, up to ten times beyond original estimates,
3 because hasty planning requires endless modification and
4 costly delays.

5
6 There are two final points to
7 be made. First, without exception when these parallels are
8 drawn to the attention of governments and corporations and
9 they are forced to acknowledge their mistakes, the response
10 is always that in the greater public interest, we have de-
11 cided to proceed, notwithstanding all other problems.

12 Secondly, we have reached the
13 conclusion, based on our experience in the North, our
14 journalistic skills of observation and investigation, and our
15 contact with people in underdeveloped areas of the world,
16 particularly in Africa and Asia, that the human concerns of
17 the indigenous people, seeking some form of self-determina-
18 tion, are always secondary to the profits of industrial
19 developers.

20 The projects outlined in this
21 paper invariably have tremendously adverse effects on the
22 culture, life styles and aspirations of the native people.
23 Any attempt by them to break this pattern is inevitably
24 branded as the action of a few Southern white radicals with
25 no understanding of the North.

26 Finally, Mr. Chairman, may we be
permitted to raise a question which everyone must answer for

1 themselves and should not permit anyone else to answer for
2 them. It concerns our evidence, since it is the ultimate
3 issue raised by what we white Southerners are doing to
4 Northern native people. Is it true, we asked native people
5 across the North time and time again, that we in the South,
6 who are rich, indeed, by your standards, are robbing you
7 of your scant resources for our benefit? Most replied with
8 an unequivocal "yes", so it seems to us that we are determined
9 to get the benefits of the Churchill River Diversion, regard-
10 less of the costs to the people of Nelson House; we are
11 determined to sell Quebec Hydro to Northeastern United States,
12 regardless of the impact it has on the people of Rupert's House.

1 We are determined to build a
2 C.N.R. through the Nass Valley regardless of the wishes of
3 the Nishga nation. Are we then determined to build the
4 Alaska Highway natural gas pipeline or the Mackenzie Valley
5 natural gas pipeline regardless of the cost to the Yukon
6 Indians or the Dene people?

7 The dilemma we suggest, cannot
8 be resolved merely by asserting that the public interest
9 of an allegedly energy-hungry economy must override the
10 wishes of a small group of people who wish to preserve
11 their way of life and that every effort will be made to
12 minimize impact. For can the public interest ever be served
13 by riding roughshod over others' rights? Are we really
14 prepared to risk the cultural genocide of others for a small
15 improvement in our own conveniences?

16 The question that must be
17 answered is whether or not the proposed pipeline is
18 defensible from an ethical and human point of view. If it is
19 not, and that is the position that our work and thought has
20 personally led us to, then we suggest that this pipeline
21 is not in the greater interest of all Canadians. Thank you.

22 MR. CHAIRMAN: Thank you Mr.
23 McCullum. Mr. Joe, the next panelist I take it will proceed
24 immediately?

25 MR. JOE: That's correct.

26 MR. TEIXEIRA: The Interchurch

1 Task Force on Northern Flooding is a Winnipeg-based
2 ecumenical venture in Manitoba that claims the involvement
3 of the Anglican, Mennonite, Roman Catholic and United
4 Churches. Our Task Force has been legitimized by the
5 respective national church bodies. We also form part of
6 that consensus that insists there should be no development
7 without prior land settlement, and that a moratorium is one
8 way to ensure this.

9 Our Task Force began in the
10 autumn of 1973 in response to some residents of the native
11 Northern Manitoba community of South Indian Lake which
12 stands to bear the brunt of the damage of the Lake Winnipeg,
13 Churchill-Nelson Rivers Hydroelectric Project. This project
14 intends to more efficiently use the water flowing north from
15 Lake Winnipeg to the Nelson River, as well as divert south-
16 wards the Churchill River into the Nelson River in order to
17 harness the maximum hydroelectric potential of this latter
18 river.

19 If these past four years have
20 taught us anything, it is surely that prior and effective
21 public participation, especially on the part of those who
22 stand most to be affected by a major development, is
23 absolutely essential.

24 Because of the lack of such prior
25 participation in Manitoba, the process of which will be
26 documented in this paper, we convened a meeting in Winnipeg

1 on April 3rd, 1975. This meeting included several national
2 church leaders, as well as representatives of the Federal
3 Department of Indian and Northern Affairs, and the Northern
4 Flood Committee representing the Chiefs of the reserves to be
5 affected by the project. The idea surfaced of holding our
6 own citizen-called public hearings, since all other
7 legitimate avenues were either blocked or too slow.

8 Based on research into various
9 citizen-initiated actions, we began to prepare for such
10 hearings. Mr. Justice C. Rhodes Smith, former Chief Justice
11 of the Province of Manitoba and prior to that, member of the
12 Manitoba Legislature and Cabinet, accepted to chair our
13 Panel of Enquiry. The panel was made up of six people,
14 including expertise in engineering, economics, human rights,
15 ethics, anthropology, and trapping. This Panel then held
16 the hearings as an independent body from our Task Force.

17 The final report of Mr. Justice
18 C. Rhodes Smith has served to pull together both our analysis
19 and our response to our own Manitoba Hydro development as
20 well as to such proposed developments as concern your Inquiry.

21 (1) Lack of Participation. In
22 April, 1968, Manitoba Hydro applied for a licence to proceed
23 with a high level diversion of the Churchill River waters
24 through South Indian Lake to further feed the Nelson. After
25 some public outcry, the high level diversion of the Churchill
26 was abandoned for a lower level with actual compounding of

1 water in South Indian Lake to begin in 1975.

2 Rising controversy especially
3 over the social and environmental impacts of this scheme,
4 saw the birth of a six member Federal/Provincial Study Board
5 whose final reports were to be in no later than December 31st,
6 1974, just a few months before the flooding was scheduled
7 to begin. In other words, the Study Board worked while the
8 construction continued. While few would question the
9 economic viability of hydroelectric development of the
10 Nelson, there has been constant though muted criticism about
11 the lack of sufficient environmental information on matters
12 all the way from people to permafrost.

13 A classic example of this muted
14 criticism can be found in involvement of the Water Commission.
15 As a sign of sincerity, the government had reactivated the
16 Water Commission which, under its Act, is empowered to hold
17 public hearings, call witness, submit evidence and present
18 arguments. Yet in November 1970, around the time when this
19 same government was facing public criticism of the South
20 Indian Lake high level diversion proposal with promises of a
21 lower level diversion, it was also announcing that there
22 would be no public hearings into Manitoba Hydro's application
23 to build control structures on Lake Winnipeg.

24 Cass Booy, Chairman of the Water
25 Commission, after continually trying have public hearings
26 and provide the government and the public with independent

1 advice, received a letter dated October 19th, 1971, from
2 the Honourable Sidney Green, Minister of Mines, Resources
3 and Environmental Management.

4 This letter not only restated the
5 government's rejection of public hearings, but asked the
6 Commission to function as a body which the government was
7 asking to facilitate an already announced program. In other
8 words, the government was showing its prior commitment. This
9 letter not only emasculated the Commission as an independent
10 body, but reduced it to the function of a rubber stamp.

11 In August, 1972, Cass Booy was
12 fired. On December 14, 1972, the Honourable Sidney Green
13 caused a resoltuion to be passed under the Water Power Act,
14 regulation 207-72, whereby he as Minister would issue the
15 licence for diversion by Order-in-Council. This regulation
16 also side-stepped the Legislature and the former requirement
17 of prior extensive publication to allow for public involve-
18 ment. On December 22, 1972, Manitoba Hydro received a
19 licence to raise South Indian Lake to a maximum of 850 feet
20 above sea level.

21 The above witnesses to a govern-
22 ment process of muting criticism and cover-up, of inval-
23 idating the procedures of the Water Commission, of denying
24 public hearings, of not waiting for the results of the
25 Federal/Provincial Study, of giving the Minister powers to
26 issue a diversion licence, of by-passing the need for

1 publicity, of by-passing the Legislature.

2 (2) Confidential Reports. One
3 of the first activities of our Task Force was to attempt to
4 have the government release its already completed Study
5 Reports. Our Task Force had learned that while over seventy
6 studies of the project were commissioned by the governments
7 of Manitoba and Canada, the vast majority of these studies
8 were classified confidential.

9 Our June, 1974 press release
10 contained the following statements:

11 "It would appear that Manitoba Hydro intends to
12 encroach on Indian Reserve Lands in contraven-
13 tion of the Indian Act and only later deal with
14 questions of compensation. It is unacceptable
15 to us that Indian Lands, secured by Treaty,
16 should even be considered for flooding without
17 any consultation with the Indian Band Councils.
18 It is also unthinkable that the people most
19 likely to be adversely affected should still
20 not be fully informed about the effects of the
21 project now eight years old and only two years away
22 from completion. Much of the information the
23 Northern Flood Committee seeks is contained in
24 the seventy-two or more reports of the joint
25 Federal-Provincial Study Board. These reports
26 are at present being kept confidential.

1 In summary, the following issue is at stake, not
2 simply that people have a right to plan their
3 own futures, or that the public has a right to
4 information, but that some people's futures have
5 been planned in secret and these people, as well
6 as the public at large, have a right to the
7 details of all such plans. Manitoba Government
8 and Manitoba Hydro have such plans that effect
9 the futures of the eight Northern communities
10 and are withholding this information.

11 We therefore call on Manitoba Hydro, the Federal
12 Government and the Government of Manitoba to
13 release immediately, the Study Reports and all
14 other information involving the effects of the
15 proposed Churchill River Diversion on the
16 communities concerned."

17 Our joint efforts finally met
18 with the release of these studies which, however, were still
19 classified "un-official" so we couldn't use them in any
20 public debate because of the censors.

21 Number 3, Lack of Due Consult-
22 ation. The matter of due consultation with the people who
23 will be most seriously affected by the project was con-
24 sidered by our Panel of Inquiry. "Due" consultation was
25 defined by Mr. Justice Smith as "full consultation with them
26 on a completely frank basis before any final decision to

1 proceed was made."

2 Mr. Justice C. Rhodes Smith
3 continued in his final report:

4 "We find that this prerequisite was not adhered
5 to in this case. In the last three or four years
6 of the Conservative Government, there were some
7 discussions with Northern people, but the only
8 occasion on which it could be said the affected
9 people were duly consulted was in January 1969."

10 On the 7th day of that month, public hearings were
11 commenced in the community of South Indian Lake
12 and were continued in Winnipeg on January 27 to
13 29. These hearings were in relation to the
14 effects of the project, as then proposed, upon
15 South Indian Lake.

16 Between January 7th and January 27th an interim
17 license was issued to Hydro to proceed. Thus a
18 decision to go ahead with the project was made at
19 a time when the hearings were unfinished, and in
20 fact, when only a small part of what would be
21 said had been presented.

22 Following the advent to power of the N.D.P. govern-
23 ment in the following June, the whole project was
24 reviewed and as a result, a significant change was
25 made in the extent to which the level of Southern
26 Indian Lake was to be raised. The increase was

1 reduced from about 34 or 35 feet to about 10
2 feet. With this major change, the government
3 made the decision to go ahead. No public
4 hearings have ever been held since January
5 1969, if we except the hearings of this Panel
6 in September 1975.

7 In the period since 1969, representatives of
8 Hydro have had many meetings with community
9 representatives in the North. Further, members
10 of the government, in particular, Premier
11 Schreyer and Mr. Green, have made many visits
12 to the North for the same purpose. Unfortunately,
13 as we have seen, notwithstanding these many
14 meetings, and the various documents distributed
15 to the Indian communities, the full effects of
16 the project were not brought home to them.

17 Indian speakers stated that meetings with Hydro
18 consisted largely of Hydro telling them what was
19 going to happen and that the effect on them would
20 be either nil or not much. This suggests that
21 the Indians had very little input in seeking
22 modification of the project which they regarded
23 as important."

24 A major reason why these many
25 meetings proved inadequate was because of the lack of cross-
26 cultural sensitivity on the part of government; too much

1 faith was placed in the written English word, technical
2 flair and jargon, and White organizational models of holding
3 meetings and making decisions.

4 Four, Discrediting Attempts at
5 Participation. Our independent Panel of Enquiry had to deal
6 with the fact that the Minister of Mines, Natural Resources
7 & Environmental Management referred to it as a "mock
8 parliament." And no representative of Hydro officially
9 appeared to give their viewpoint. Rejecting the Minister's
10 characterization and lamenting the limitations imposed, due
11 to Hydro's non-participation, Mr. Justice Smith refused to
12 have his work discredited. He pointed out in his Final
13 Report that there were limitations to his Enquiry, but only
14 because the Government of Manitoba had been unwilling to
15 appoint a Board or Commission to investigate the develop-
16 ment's impact on people and the environment (p. 4).

17 This was but one example of
18 where the Government tried to displace blame or guilt from
19 itself onto those who were seeking information and par-
20 ticipation. Our Panel received a brief from a group of White
21 farmers from Sperling in Southern Manitoba who had been
22 corresponding on the project with the special Assistant to
23 the Premier. Their brief stated: "We feel that the
24 government is attempting a transfer of guilt to the Northern
25 Flood Committee."
26

The Sperling Citizens Group provided
2 copied of the June 4th, 1975 letter from the premier's of-
fice, that notes: "unfortunately a group calling itself the
4 Northern Flock Committee and purporting to be acting in the
interests of the band and several other bands has interposed
itself and is making it difficult to arrive at a settlement."
You might remember that this Northern Flood Committee is
the representative body of the chiefs of the reserves.
A prior letter of December 27th, 1974, stated, "the
Government and Manitoba Hydro will not be held up for ran-
som", a phrase subsequently used by the Minister of Mines,
Natural Resources and Environmental Management relative to
the Northern Flood Committee. These letters give clear
indication not only of the Government's unwillingness to
allow participation, but of its intent to discredit
thos who request such participation.

The above four examples relate to
the lack of input from the general public and especially
those who stand to suffer most by the Project, a lack of
input that was engineered by a provincial government.

But there is another major example
of government gamesmanship often referred to as "Federal/
Provincial football", or the interface of federal and lo-
cal politics. This can also be detailed in the case of
our project.

A. The 1966 Federal/Provincial

Agreement. In a rebuttal of the December, 1974 Bulletin on Northern Manitoba of the Canadian Association in Support of Native Peoples, the Hon. Sydney Green wrote, "On February 15th, 1966, representatives of the Governments of Canada and Manitoba agreed to a hydro-electric development project in northern Manitoba." This mysterious agreement supposedly giving the Provincial Government rights to Federal Reserve lands was a major public argument for the right of Hydro to continue unquestioned.

It took our Panel of Enquiry to unmask this situation. Mr. Steward Martin, representing Premier Schreyer, admitted: "...the 1966 agreement between the provincial and federal governments certainly does not give a mandate for the flooding of trapping, fishing or hunting reas." (Transcript, Sept. 22, p.34). The Mennonite Central Committee (Canada) also produced an Agusut 29, 1975, letter from the then Minister of Indian and Northern Affairs addressed to their Native Concerns Director wherein Mr. Buchanon stated: "I agree, too, that the 1966 agreement with the federal government did not give to Manitoba the right to take or use federal lands, or to impose other conditions on Indian communities, without suitable compensation."

It took the pressure of our Enquiry to produce this clarification between the local and federal levels on land rights in a treaty area where one

would expect these rights would be very clear.

B. Lack of Legal Aid to Indians.

Initially, neither the federal nor provincial governments were prepared to provide the kind of legal aid monies that could issue in a court case. The federal government has since changed its stand and seems at least open to court action should this prove necessary. However, the Premier's Sepcial Assistant, again in his December 27, 1974 letter to a member of the Perling Citizens' Group wrote:

"The money for legal services for northern people is freely available to them for the purpose of retaining legal advice to negotiate compensation. However, the money is not available if it is going to be used to try to stop the project altogether."

The Group asked in its brief, "Does legal aid have to meet the stipulation of the government before it is granted to its citizens?"

C. Mediation. The Winnipeg Free Press, February 14, 1976, page 3, ran the story "Northern Hydro Mediator Named". Mr. Judd Buchanan had announced the appointment of a Winnipeg lawyer as the federal mediator in the dispute between the Indians and Hydro. The parties involved in the mediation process were to be the Governments of Canada and Manitoba, Manitoba Hydro, and the Northern Flood Committee. Implicitly, when the

Manitoba Government accepted this process, it also for the first time accepted the Northern Flood Committee as a bargaining agent and spokesman of the Reserves involved. Mr. Buchanan hoped the mediator would settle the dispute by April 30, 1976. No findings or recommendations of the mediator were binding of the participants.

I might add, that during mediation, again the work continued on the construction sites.

To date, over a year beyond the original deadline, no tangible results or agreements have issued from this private mediation process. Until very recently, the Northern Flood Committee appeared caught between Federal/Provincial politics and a provincial election that may well change the Manitoba Government position is in the wind for the very near future.

These three examples of federal and local politics interfering with native claims are related to the incongruity of a ministerial portfolio at the federal level that supposedly combines concerns for Indians as well as Northern Affairs and at the local level, Mines, Natural Resources and Environmental Management.

They also indicate the invalidity of settlement negotiations while development is already determined or in process.

Conclusion. In our own part of Canada, our struggle is far from over, even should this Hydro Project dispute be resolved. Our waters would be polluted by industrial mercury. The Garrison River Diversion in the U.S.A., if it goes through, will affect our water biology and quality. Some six nuclear plants are projected for the North. The Polar Gas Pipeline is supposed to come through the middle of Manitoba.

Major developments continue to be planned and executed with little or no participation from the public and those to be most affected. People continue to be caught in the bind of Federal and local politics, even where land claims based on treaty, were supposedly settled some decades ago.

In the recommendations of his Final Report, Mr. Justice C. Rhodes Smith argued among other things, for a moratorium. While we do not think it would be realistic to recommend that the whole Churchill Project be abandoned, we do think there is good grounds for recommending that the government give serious consideration to abandoning the Churchill River Diversion, or at least postponing it to a later date. Such a course would leave all the power potential of the Nelson Falls for development, from which source, power sufficient for Manitoba's needs during the next ten to fifteen years could be obtained. I might add, there was pressure at this point

1 because contracts were signed to export power to Minnesota.

2 This argument certainly has
3 parallels here in the Yukon. To proceed on development
4 without prior settlement of Indian land claims; without due
5 consultation with the Indian communities to be affected;
6 without a clear recognition of the issues at stake beyond
7 politics both local, Federal and foreign, would be an in-
8 justice of a far greater scale than we now witness in
9 Manitoba.

10 We trust the situations we have
11 recounted at some detail regarding hydro development in
12 Manitoba, will not be repeated in the Yukon. We trust this
13 Inquiry will recognize the top priority of due local
14 consultation and settlement of Indian land claims in any
15 development decisions.

16 MR. CHAIRMAN: Thank you Father
17 Teixeira. I believe this would be a good point at which to
18 take our mid-afternoon break.

19 (PROCEEDINGS ADJOURNED).

20 (PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT).

21 MR. CHAIRMAN: Mr. Joe, I take
22 it the next panelist we'll hear from is Mr. Olthuis?

23 MR. JOE: Mr. Olthuis, that's
24 correct.

25 MR. CHAIRMAN: Mr. Olthuis,
26 whenever you're ready please.

MR. OLTHUIS: Thank you Mr.
Commissioner.

Assuming that the introduction
will be included in the transcript, I will begin on Page 3
with the section, "The Onus on the Applicant". (See next 3 pages).

Every assessment of the potential
negative socio-economic impacts of a major industrial
project must be made on the basis of assumptions and con-
clusions about the potential beneficial purpose of the
impacting project. Accordingly, the applicant bears the
onus of showing that the proposed project is in the Canadian
public interest, because negative impact can only be assessed
in the context of positive impact.

My review of the evidence sub-
mitted by Foothills (Yukon) leads me to the conclusion that
Foothills has failed to establish a positive Canadian
contribution. Furthermore, the national and regional socio-
economic impacts are so clearly negative that your Inquiry
should recommend to the Government of Canada that the pipeline
not be built because it is contrary to the economic
interests of Canadians, both northern and southern.

MR. CHAIRMAN: Mr. Olthuis, I'm
sorry to interrupt, but the Board members don't seem to have
a copy of your prepared evidence. Mr. Poland, do you know
if there are extra copies available? Yes, please proceed,
Mr. Olthuis.

INTRODUCTION

The Committee for Justice and Liberty Foundation (CJLF) is an independent Canadian people's movement which seeks to develop political, economic and social policies and action programs from a Christian life-perspective based on the Biblical principles of justice, stewardship, love and compassion.

Since 1973 our research and action programs have focussed on the matter of a just energy policy for Canada. Stewardship, caring, a balanced opening up of all sides of human life, and the conviction that a just energy policy should, such, underlie the following objectives of what we advocate as a Just Energy Policy for Canada:

- (1) A substantial reduction in the increase in per capita growth of energy consumed in Canada through both waste-elimination and demand-reduction programs.
- (2) A concerted national effort to develop alternative sources of energy.
- (3) Honouring the rights of native Canadians with respect to the involvement of their land and culture in projects designed to provide fuel for southern consumption.
- (4) Full satisfaction that eco-systems will not be adversely affected prior to the commencement of any energy project.
- (5) The setting of just royalty and tax provisions to ensure that private companies develop public resources for public, rather than private benefit.
- (6) The equitable use of natural resource revenues to improve total human wellbeing.
- (7) Rapid curtailment and eventual stoppage of all oil and gas exports to the United States.
- (8) The export of energy at below-international prices to struggling Third-World countries.

Early in 1975 we first suggested a ten-year moratorium on all projects designed to transport northern fossil fuels south so that Canadians could join a public dialogue around these eight objectives.

We have advanced the adoption of this energy policy, a ten-year moratorium and constructive plans for the moratorium period before Parliamentary Caucuses, Committees of the House of Commons and the Mackenzie Valley Pipeline Inquiry conducted by Mr. Justice Berger.

However, our major involvement was as an intervenor participant in the just-concluded Mackenzie Valley-Yukon pipeline hearings conducted by the National Energy Board. C.J.L.'s major participation was in Phase 3, the socio-economic phase, and involved both cross-examination of applicant witnesses and the presentation of the following witnesses with respect to socio-economic impact in the Northwest Territories:

Hugh & Karmel McCullum (Staff Co-ordinators of Project North);

Melville Watkins (Professor of Economics, University of Toronto);

Peter Russell (Professor of Political Economy, University of Toronto);

Meyer Brownstone (Professor of Political Economy, University of Toronto and York University);

Donald Simpson (Assistant Professor of the History of Education, University of Western Ontario).

These additional witnesses testified with respect to the socio-economic impact of northern development on southern Canada:

Archbishop E. W. Scott (Primate of the Anglican Church of Canada and Moderator of the Central Committee of the World Council of Churches);

Bishop R. DeRoo (Roman Catholic Bishop of Victoria, B.C.);

Tony Clark (Director of the Social Affairs Office of the Canadian Conference of Catholic Bishops);

Gerald Vandezande (Executive Director of the C.J.L. Foundation).

McCullum, Teixeira,
Olthuis, Dillon
In Chief

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1 In the context of this concern
2 for, and involvement with, the socio-economic impact of
3 proposed northern energy projects, I was pleased to accept
4 the request of the Council for Yukon Indians (CYI) that I
5 appear as a witness before your Inquiry into the socio-
6 economic impacts of the proposed Foothills (Yukon) natural
7 gas pipeline.

MR. OLTHIUS: I'm at the bottom
of Page 3, Mr. Commissioner.

No energy for Canada. In most
instances, additional domestic energy supply is the positive
national interest argument advanced for pipeline proposals.
In the case of Foothills (Yukon) proposal, we are faced with
a project designed solely to transport Alaska gas to
Canada to the southern parts of the United States.
there is no positive public interest in
energy supplies.

Lacking such
interest rationale for its pipeline proposal
(Yukon) attempts explicitly or implicitly
a Canadian public interest on the basis of the following
arguments:

(1) Catering to American demands
is in the Canadian public interest.

(2) Large scale North American
energy projects are per se in the Canadian

1 The pipeline is inconsequential in terms of national
economic impact.

Four, the pipeline will make a
positive socio-economic contribution in the Yukon. One,
catering to American demands is in the Canadian public
interest. Having failed to demonstrate that the project
is directly in the Canadian interest in terms of additional
energy, Foothills Yukon implicitly argues that it is to the
socio-economic advantage of Canada to cater to American
demands. It could be argued that it is the task of the
Government of Canada to decide whether there is any political
advantage to catering to United States demands, however, I
submit it is undeniably the task of this Inquiry to advise
the government with respect to the socio-economic advantages
or disadvantages of a decision to cater to American demands.

Furthermore, the fact that
United State is asking Canada to tolerate the negative im-
pacts of this project, fully justifies a Canadian inquiry
into transportation alternatives available to the United
States.

The obvious alternative, of course
is the El Paso proposal for transportation of Alaska natural
gas south. Even as Mr. Justice Berger came to the conclusion
that all Mackenzie Valley routes were not acceptable for ten
years, and that some would never be acceptable, your Commission
could conclude that the Foothills Yukon project is not accept-

1 able for at least ten years, leaving the United States with
2 the option of choosing the El Paso route. If the El Paso
3 option were not available to the United States, some argu-
4 ments could be mounted in support of the conclusion that it
5 would be in the socio-economic interest of Canada to help
6 the United States transport their Alaska gas across Canada
7 to the southern parts of United States.

8 However, the existence of the El
9 Paso option effectively cuts the ground from under the val-
10 idity of that contention. In addition to the availability
11 of the El Paso option, there are other reasons why it is in
12 Canada's socio-economic interest to say, no land bridge for
13 your pipeline to the United States. Unless United States
14 seriously attempts to curtail its energy appetite for
15 fossil fuels and to concentrate on a transition to dependence
16 on renewable energy sources, Canada will be faced with escal-
17 ating pressure, both to export natural gas and petroleum to
18 the United States and to provide cross-Canada transportation
19 systems for that gas and oil. Canada's approval of the
20 Foothills Yukon proposal would be the first, rather than the
21 last, of such schemes.

22 Already, of course, Foothills
23 proposes a Dempster lateral or alternatively, their Mackenzie
24 Valley Maple Leaf project for the transportation of Mackenzie
25 Delta Beaufort Sea natural gas. To date, finds in these
26 areas have been disappointing. This reality leads to the

1 conclusion that Foothills will push for the construction of
2 the thirty-inch Dempster lateral, a line which virtually bi-
3 sects the Yukon, as soon as the required threshold of gas
4 is proven.

5 If, however, there should be sig-
6 nificant finds in the Mackenzie Delta Beaufort Sea area after
7 the Dempster lateral has already been built, that line will
8 then be inadequate to handle the additional volumes of gas.
9 A forty-two inch or forty-eight inch line down the Mackenzie
10 will surely follow, as an American express route, to export
11 to the United States what will then be a Canadian gas surplus.
12 In addition, we have the Polar gas proposal, with the like-
13 lihood that the gas will be exported to the United States.

14 The critical point here is that
15 a decision on the socio-economic advantages or disadvantages
16 of the Foothills Yukon proposal cannot and will not be made
17 in isolation. A yes to Foothills Yukon will mean that Canada
18 is committing itself in close to a carte blanche manner to
19 whatever transportations systems the U.S. requires to either
20 transport its gas or to export gas through Canada.
21
22
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25
26

McCullum, Teixeira,
Olthuis, Dillon
In Chief

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1 A "no" to Foothills Yukon will
2 serve United States notice that we are serious about implem-
3 enting an energy policy that serves the socio-economic int-
4 erests of Canadians and in a good neighbour fashion, such
5 a decision will prod the United States to orient its policy,
6 energy policy, away from supply-gathering toward demand-
7 reduction.

8 (2) Large-scale North American
9 energy projects are, per se, in the public interest.

10 Another argument implicit in
11 Foothills' proposal is the old, familiar tune that large-
12 scale energy projects are, per se, in the public interest
13 because of the supposed positive relation between energy use
14 and the quality of Canadian life. And, the argument con-
15 tinues, it doesn't matter whether the project will benefit
16 Canada directly because "what's good for the United States
17 is good for Canada."

18 I submit, however, that we
19 should be telling the United States that what is good for
20 Canada, namely, serious demand reduction and the trans-
21 ition to renewable energy sources, is also good for the
22 United States. Our prodding of the United States to go in
23 that direction is consistent with Canada's emerging aware-
24 ness that large-scale energy projects are more likely to
25 be "contrary to," rather than in the public interest.

26 This is the case because the

1 assumption that the inherent value of large-scale projects
2 leads to a framework within which socio-economic impacts
3 are treated as "problems to be solved", as "damages to be
4 minimized", as the project proceeds. Such a framework is
5 clearly contrary to Canada's socio-economic interest because
6 built into it is the assumption that no amount of negative
7 socio-economic impact could possibly outweigh the positive
8 nature of the project. Thus, concern is focused on minim-
9 izing the negative impacts rather than on taking careful
10 account of these impacts in attempting to decide whether
11 or not the project should be undertaken.

12 This, Mr. Chairman, is one of
13 the major problems that I have with the Foothills' appli-
14 cation, that it's talking about a project which it believes
15 should be implemented and is asking the people of the Yukon
16 to help determine how the damages of that project can be
17 minimized, rather than asking the people of the Yukon
18 whether or not the project should be undertaken.

19 Historically, Canada's energy
20 policy and the decision-making process for energy projects
21 has been based on the framework just described. As recent
22 as 1973, An Energy Policy for Canada, Phase I, (P. 29)
23 simply assumed that:

24 "The use of energy in amounts equal to any reason-
25 able demand, is essential to the attainment of
26 a high quality of life in Canada."

1 But increased energy cost and warnings about dwindling world
2 supplies led to this 1976 warning in An Energy Strategy
3 for Canada, (P. 130):

4 "We could find that continued high rates of in-
5 crease for energy consumption reduce, rather
6 than enhance, the quality of our lives."

7 The implicit assumptions under-
8 lying the 1973 statement were that the traditional economic
9 growth objectives will continue to prevail and that pursuit
10 of the traditional objectives has advanced the Quality of
11 Canadian Life.

12 The 1976 statement expresses a
13 growing belief that pursuit of the traditional objectives
14 may not have advanced the quality of Canadian life and that
15 new human growth objectives are emerging to replace the
16 traditional objectives. The following statement of Prime
17 Minister Trudeau reflects that change:

18 "The Gross National Product is no measurement
19 of social justice or human dignity, or cultural
20 attainment....

21 So indiscriminate are our values that we allow
22 ourselves to be directed by governments on the
23 single assumption that the expenditure of money
24 is a measure of happiness. Yet what does growth
25 of the GNP do to confine or reduce the extent
26 of delinquency of juveniles, corruption in

1 government, monopoly is business, stagnancy in
2 cultural activity, limitations in educational
3 opportunity, pollution in our environment?
4 What solutions does it offer to the presence of
5 violence, or to the absence of beauty? Bluntly
6 stated, it does nothing.
7 Nevertheless, it is this "nothing" that directs
8 our lives. It is this "nothing" that ridicules
9 all too often the warnings of conservationists
10 and the admonitions of theologians.

11 (May 12, 1974, Address at Duke University).

12 C.J.L.'s evidence before the
13 National Energy Board contained similar statements from
14 prominent scholars such as Margaret Mead (Anthropologist),
15 Edgar Morin (Sociologist), E.F. Schumacher (Small is
16 Beautiful), and Arnold Toynbee (Historian).

17 In the past, North American
18 energy decisions have been made on the basis of the old
19 assumptions and energy policy meant no more than ensuring
20 that energy supply was sufficient to meet demand projected
21 on the basis of past high rates of energy use.
22 But as then Energy Minister, the Hon. Donald MacDonald,
23 said when introducing Canada's conservation program on
24 February 5, 1975:

25 "We are as a man who has gorged himself and
26 imperiled his health;...A basic change in our

1 economic course is dictated. Our new course must
2 be the intelligent use of our resources -- in a
3 word, conservation; conservation not just for the
4 short term, because of the actions of OPEC, but
5 conservation for our future and for our children's
6 future."

7 These realities require that a
8 new definition of the public interest cast the framework
9 within which decisions on energy projects are made. What
10 was thought to be in the public interest on the basis of the
11 old values and assumptions is, on the basis of the new
12 values and assumptions, more likely to be contrary to the
13 public interest.
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1 Foothills guess that the forty-eight inch proposal will not
2 show a negative national macro-economic impact.

3 The matter of national economic
4 impact is of great importance to all Canadians. The central
5 consideration of course, if the amount of Canadian money
6 that will be used to build this all-American line. Foot-
7 hills' summary of its basic financing requirements for the
8 forty-eight inch line shows the following Canadian financial
9 requirements: That's found in their Exhibit 10B, 3.9. I
10 should point out Mr. Chairman, that this is the basic
11 financing requirements of bank loans and long term debt,
12 preferred stock, common stock, come to 1.9 billion dollars,
13 but the total financing requirements which include the
14 contingency requirements and the requirements of the
15 companies in terms of their existing projects, amount to
16 2.703 billion dollars, so we're talking basically about
17 three billion dollars being allocated from the Canadian
18 economy for the construction of an all-American pipeline.

19 On the face of the matter, it
20 is patently absurd to think that almost three billion dollars
21 of Canadian money will be utilized for this project designed
22 to carry American gas across Canada.

23 I submit and this is in reply to
24 Mr. Hudson's comment as well, that the question of national
25 economic impact is vitally important for this Inquiry because
26 national economic development have regional consequences.

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1 So that there is a very direct link between the macro-economic
2 impact of the project and the in-migration which of course
3 will trigger the massive socio-economic impact and it's my
4 contention that in that context the matter of national
5 economic impact is of paramount importance for this Inquiry.

6 Foothills submission about the
7 inconsequential macro-economic impact of re-allocating close
8 to three billion dollars of Canadian dollars away from other
9 uses and into pipeline construction is based on the results
10 of tests run on the TRACE econometric model at the University
11 of Toronto.

12 In order to determine what, if any,
13 weight should be given to the macro-economic impact con-
14 clusions of the TRACE model, it is important to look at
15 two things: First, the assumptions upon which the TRACE
16 model was constructed and secondly the serious limitations
17 flowing from the fact that it is an aggregate model which
18 tells us virtually nothing about regional and sectoral econ-
19 omic impacts. I suggest the following assessment clearly
20 shows that the proposed re-allocation of Canadian funds will
21 have a devastatingly negative impact on the Canadian economy.

22 First, the TRACE Assumptions.
23 Trace operates by feeding the economic factors of building
24 a pipeline into a control solution -- a solution which
25 assumes that the economy will continue to follow past trends,
26 and the TRACE economists on a number of occasions before the

1 National Energy Board acknowledged that if the economy varies
2 from past trends and takes a different path, the control
3 solution and the assessment of pipeline impact will be
4 erroneous.

5 This is an important point
6 because there's growing evidence that critical important
7 structural changes in the economy have taken place which
8 means that the future path of the economy will be different
9 from the past.

10 Dr. Michael Bradfield, an
11 economist from Dalhousie University, brought these important
12 changes to the attention of the National Energy Board.

13 1. Inflation has become a
14 dominating influence instead of just an irritating aber-
15 ration in practically all of the industrialized economies.
16 The average rate of inflation in Canada in the first half
17 of 1976 was roughly triple that of Canada's rate in the
18 1960's. At the same time unemployment, which before
19 rarely kept company with inflation, is now double what it
20 was during the 1960's.

21 2. The downturn of the economy
22 in the latter half of 1976 is generally attributed to the
23 failure of capital investment to provide the second stage
24 boost to the economic recovery that was launched by in-
25 creased consumer spending. In the past, that critically
26 important second stage boost was always present. Its

1 failure in the present situation points to the important
2 fact that the increasingly larger investments required to
3 clean up the environment and to develop energy supplies
4 leave less capital to invest in technological development
5 and in more efficient new capital equipment.

6 3. The relative shift of
7 workers from commodity production to services where
8 economizing is more difficult. Consequently, there is a
9 rather drastic fall in the rate of productivity.

10 4. The critical quadrupling
11 of petroleum prices and the prices of other raw materials.
12 Until the late 1960's, industrial expansion benefited from
13 declining relative prices of raw materials and energy. This
14 was combined with relative unconcern about pollution.
15 Until 1973, western market economies had always attempted
16 to tackle their economic problems by expanding real growth
17 primarily by reducing energy costs and by developing
18 increasingly efficient production machinery. This is no
19 longer possible. The energy and capital intensive and
20 labour unintensive production system is in serious trouble
21 because of increased energy costs and shortages of the
22 capital required for economic expansion. The upshot is
23 that these realities have permanently lowered the economic
24 growth rate that is achievable by the industrial world, in-
25 cluding Canada. This reality seriously intensifies the in-
26 flation-unemployment dilemma. If governments refrain from

1 economic stimulation, we get rising unemployment; if they
2 attempt to boost demand, we get increased inflation. This
3 situation is proving particularly harmful for less developed
4 countries which have already piled up external debts of
5 170 billion dollars to pay for oil; an amount that far
6 exceeds their present or anticipated future capacity to
7 repay.

8
9 These structural changes point
10 out that the assumptions upon which TRACE was built are
11 probably erroneous. This destroys its capability of
12 properly assessing macro-economic impact. Bradfield's
13 evidence is that these changes are critical to a pipeline
14 decision, "A decision to build a pipeline on the basis of
15 those erroneous assumptions will further retard the rate of
16 economic growth because the project is capital and energy
17 intensive and labour un-intensive and will contribute in a
18 cumulative manner to inflation, unemployment and a negative
19 balance of payments. Basing a decision on the assumptions
20 made by the applicant, applicants, will be to their
21 financial self-interest but will be contrary to the public
22 interest of the vast majority of Canadians."

23 That's from the National Energy
24 Board, Exhibit N-77-11, Page ten.

25 Secondly, Cost Overruns.
26 Foothills did not conduct a study of the effects that in-
increased pipeline costs would have on the national economy.

1 It is, however, logical to conclude that if currently
2 projected cost estimates yielded an inconsequential result,
3 increased costs would lead to negative national economic
4 impact.

5 With respect to likelihood of
6 cost overruns, I submit the following National Energy Board
7 evidence of University of British Columbia economist, John
8 Helliwell, is the most realistic assessment.

9 HELLIWELL: To give you some idea, if you ~~may very roughly~~
10 re-priced the Trans-Alaska pipeline in 1976 prices and
11 removed the portion that is likely to be attributable
12 to the Valdez terminal -- in other words, just looking
13 at it as an 800 mile pipeline - its per mile costs are
14 almost sure to exceed ten million dollars a mile in
15 1976 dollars. The CAGPL proposal, by comparison, over
16 its whole length is estimated, in 1976 dollars, to be in
17 the order of three million dollars a mile, and if you
18 consider the portion north of 60, four million dollars
19 a mile. That is a very big difference between ~~two~~
20 million dollars and ten million dollars, especially if
21 you go back to the documents that were on hand when all
22 three projects were in -- if you go back to the docu-
23 ments in hand when the Arctic Gas Pipeline was a proposal
24 and when the Mackenzie Valley oil pipeline study was
25 done -- this is before the early 1970's surge in con-
26 struction costs - and all three projects at that time,

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1 in dollars somehow defined, were estimated to cost
2 approximately two million dollars a mile without there
3 being any excess on a per mile basis for a Trans-Alaska
4 oil pipeline over a Mackenzie Valley oil pipeline.

5 So, at that time, before any of these projects were
6 started, it was felt that whatever differences there
7 were between building a gas line and an oil line, what-
8 ever differences there were between going down the
9 Mackenzie Valley and going across Alaska, were more or
10 less offsetting in their total impact, and that those
11 costs were similar. What we have seen is that the
12 project built has been shown to have costs of something
13 in the order of ten million dollars a mile, while the
14 applicants are still proposing to do it north of 10 for
15 four million dollars a mile.

16 (Transcript, April 1984, pp.
17 PP. 32, 284-285).

18 What this tells us, Mr.

19 Commissioner, is that if the costs of the Foothills' Alcan
20 project are similar to the costs of
21 and there is no reason to believe that they're not
22 project will cost twenty billion dollars.

23 (3) What if the Three Billion
24 Dollars were Allocated for Other Canadian Uses?

25 One of the most serious faults
26 of the TRACE model is that it fails to compare the national
economic impact of alternative uses of the three billion

1 dollars. For example, it fails to tell us what the impact
2 would be if the two billion -- three billion dollars were
3 allocated for: low and middle class - middle income
4 housing or; a national insulation program, or; development
5 of renewable energy alternatives, or; development of small
6 businesses, or we might add alternative opportunities in
7 the Yukon.

8 It seems logical that in both
9 the short and long run, these labour-intensive uses would
10 have a much more beneficial economic impact than a pipeline.

11 (4) How is the Increased
12 Aggregate Income Divided?

13 The model says there will be
14 increases in real disposable income but does not say
15 whether the increases will go to low or high income people.
16 And with respect to the actual increases, can there be any
17 doubt that more labour-intensive uses of the capital will
18 provide both more disposal income and more distribution
19 to wage earners as opposed to shareholders?

20 (5) From What of the
21 Economy Will Nearly Two Billion Dollars be pulled?

22 The nearly two billion dollars
23 will be pulled from other sectors of the Canadian economy
24 but the model doesn't tell us which ones.

25 We do know that Canadian bankers
26 and other financial institutions would prefer to lend money

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1 for a pipeline -- a low risk venture with high return --
2 than to lend it to higher risk and low return borrowers
3 like small businessmen, farmers and fishermen. That
4 reality gives us a good indication of the source of the
5 funds destined for a pipeline.
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(6) What Will the Regional
Impact Be?

The TRACE model is an aggregate model and the regional impact is unknown. Accordingly, while the national impact might be manageable, the impact in certain regions of the country, including the Yukon, might certainly be unmanageable.

(7) What Impact Will There
Be on Various Industries?

Again, the model, being an aggregate one, leaves the obvious conclusion that while the impact on large and often multi-national pipeline companies and related industries will be positive, the impact on groups such as small businessmen, farmers and fishermen will be negative.

(8) What Are the Social
Costs and Benefits of Alternative Use of the Capital?

Former Energy Minister Mac Donald, said the following about social costs when he introduced the federal conservation program:

"My department has forecast that the investment bill to provide new energy sources for Canadians over the next decade will be more than one hundred billion dollars. This means

1 that the proportion of the gross national
2 expenditure going toward energy development
3 would nearly double to six per cent from the
4 average rate during the 1960's. In human
5 terms, that would mean less capital proportion-
6 ately to build new housing, new schools, and
7 other needed social developments."

8 (House of Commons Debates, Vol. 119, No. 20,
9 1st Session, 30th Parliament, Thursday, 6
10 February, 1975, p.2987)

11 The TRACE model makes
12 study of this and we are left with the reality that
13 MacDonald's statement holds true and that part of the
14 erican pipeline will be built with money taken from school
15 children, widows and poorly housed Canadians.

16 (9) Unemployment

17 Capital-intensive projects
18 normally produce fewer jobs than more labour-intensive
19 uses of capital and with Canada's high unemployment, this
20 is a crucial question. But, again, the applicants' economic
21 analysis is of no help and the only possible con-
22 clusion is that the project in both the short- and long-
23 run will destroy more jobs in other sectors of the economy
24 than are created in the pipeline related sectors.

25 these matters are of vital
26 significance for the Yukon Territory. In the long

1 these detrimental national economic impacts will seriously
2 hurt the Yukon Territory because of its hinterland regional
3 relationship to central Canada.

4
5 4. The Pipeline Will Make
6 A Positive Socio-Economic Contribution In the Yukon

7 The key to understanding
8 Foothills (Yukon) socio-economic impact statement
9 in the following two conclusions. Quoting from the
10 submitted by the Applicant 5A, 3.13.

11 "Yukon communities in general, and Whitehorse
12 in particular became less unique in the
13 Canadian context and the lifestyle of Yukoners
14 became less different from that of many rural
15 or small town Canadians."

16 A neat, simple picture
17 the Yukon marching down the road toward "modernity
18 being, in its view, the case, Foothills goes on
19 it: "...firmly believes that it must solicit
20 and follow the advice of Yukoners wherever
21 practicable in planning the implementation
22 its pipeline project. (Emphasis added)

23 What is missing in this,
24 can only be called superficial discussion, are two
25 elements to a proper socio-economic analysis.

26 (1) Is the way things appear to be on on the

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1 that is to say, the increasing modernization of the Yukon
2 along southern Canadian patterns) consistent with what the
3 people of the Yukon, particularly the native people, want
4 them to be?
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1 If we accept it as legitimate,
2 the Foothills' technique of simply equating what is or what
3 appears to be with what people actually want, we would also
4 have to conclude for example that if ten per cent of the
5 people in Canada are unemployed, they obviously prefer
6 unemployment to employment.

7 The second step in a proper
8 socio-economic analysis would be to ask whether the pro-
9 posed pipeline is consistent with the way the people of the
10 Yukon want to develop the Yukon. The crucial question then
11 is whether or not a pipeline should even be built, not how
12 people can participate in implementing the pipeline
13 project Foothills wants to undertake.

14 I suggest that the following
15 faulty assumptions underlie Foothills's shallow descriptive
16 analysis:

17 (1) The native people of the
18 Yukon have experienced a revolutionary change in life-
19 style, particularly over the past 25-30 years, oriented
20 toward southern Canadian expectations.

21 (2) This revolutionary change
22 has been pervasive, including such aspects as the intro-
23 duction of new foods, housing, clothing, tools and equip-
24 ment and a new educational system.

25 (3) We can infer from these
26 broad ranging changes in their material culture that there

1 has been a resulting shift also in their attitudes and
2 expectations which are now more in line with what the
3 "average southern Canadian" would want out of life.

4 Following from that is the
5 fourth faulty assumption:

6 (4) This shift in material
7 culture and background experience has weaned the native
8 people away from their land-based traditional economy and
9 has increased their interest in, and desire for, wage
10 employment.

11 (5) Providing economic
12 opportunities to the native people is in line with these
13 newly awakened expectations.

14 (6) Pipeline development is
15 the most likely economic opportunity on the horizon,
16 therefore, construction of a pipeline would be in harmony
17 with the attitudes and expectations of the native people.

18 Although not explicitly stated,
19 these assumptions are apparent in the Foothills' study.
20 In Volume 5a, Section 3D "Historical Overview", we find
21 an abundance of comments pointing out how "the life of
22 the Yukon native has changed drastically in the last
23 century" (P. 5A, 3.4). We are told how European influence
24 led to "increasing the Indians' reliance on non-native
25 society. Their economic fortunes became tied to the
26 fluctuation of a market in a far-away world. The modern

1 Yukon was already taking shape." (P. 5A, 3.5). Similarly,
2 Foothills describes the Yukon following the late 19th
3 century gold rush in the following manner: "Yukon was
4 transformed from an isolated frontier community into a
5 modern society integrated with the rest of civilization."
6 (P. 5A, 3.6).

7 Undoubtedly, the thrust of
8 this scant 15 page historical sketch is to demonstrate
9 that, due to all kinds of past historical influences,
10 the lifestyle of today's Yukoner is basically the same
11 as your average Canadian. This historical account assumes
12 that a distinct native culture is dead, that natives
13 have been fully assimilated into the mainstream white
14 culture.

15 In a section headed "Ethnic
16 Distribution", Foothills says:

17 "While the different customs of the various
18 groups exert a variety of influences on
19 Yukon communities, the population generally
20 appears to be homogeneous, with many common
21 values and ideas."

22
23 This acculturation view is
24 basic to the conclusion that the construction of the pipeline
25
26

should present no unusual socio-economic problems because as the argument goes, Yukoners have taken on a basically southern Canadian orientation toward life as opposed for example, to a uniquely native world-and-life view.

Foothills' behaviourist approach cannot take account of the uniquely native attitudes and aspirations as they have been expressed by, for example, the CYI because central to their approach is the false idea that it is more important to regard on - what people wear, where they went to school and so on, and then to interpret what people do, rather than to listen to and honour what people say.

The six faulty assumptions we have identified and discussed explain why Foothills examination of the contemporary perspective and it's Volume 5A, 4.1, fails to even include a discussion about the real goals and aspirations of the native people in the Yukon, notwithstanding that the stated purpose of the examination is to "explore in some detail, the present factors which are related to various aspects of economic development and social change." (5A, 4.1).

The discussions in the Contemporary Perspective section about population, government, institutions, social environment, economic development and the labour force are all conducted in a manner which suggests that a distinctive native way of life is dead.

Because your Inquiry has had the

1 opportunity to listen to what the native people of the
2 Yukon say about their past and about what they want for
3 their future and the future of the Yukon, you will have no
4 cause to be misled by the faulty assumptions of the Foothills' analysis.
5

6 I respectfully suggest that
7 this Inquiry is obliged to arrive at conclusions with
8 respect to the past and future goals and aspirations of
9 the native people on the basis of what the native people
10 say and not on the basis of Foothills' interpretation of
11 what is going on.

12 This point is crucial because
13 Foothills acknowledges that:

14 "...the overall effect of the project on the
15 society and economy of the Territories
16 depends upon two interdependent variables.

17 The first variable is the nature of the socio-
18 economic environment of Yukon that coincides
19 with the project and the second is company
20 policy relating to project demand.' (5A, 5.1).

21 Foothills' failure to properly
22 assess the socio-economic conditions in the Yukon totally
23 discredits their attempt to identify the impact of the
24 pipeline on those socio-economic conditions.

"Foothills' assessment of

1 impact on the existing infrastructure is carried
2 out on the basis of the assumption that the only
3 people who will come to the Yukon will be people
4 with jobs on the pipeline. Of the approximately
5 1800 person peak labour force required, Foothills
6 estimates that 630 (skilled) will certainly be
7 in-migrants and that additional in-migration
8 will depend on how many of the remaining 1170
9 unskilled jobs will be filled by Yukon residents.

10 Working with these
11 assumptions, Foothills comes to the conclusion
12 that the socio-economic impact can be kept
13 within acceptable limits. (5A, 5.7)

14 With respect to the
15 possible in-migration of job-seekers and their
16 families, Foothills say "The resources which the
17 Yukon community has at its disposal to handle
18 increased population are limited, and ways will
19 have to be found to discourage an excessive influx
20 of job-seekers." (5A, 5.31)

21 This cavalier and totally
22 irresponsible attitude to in-migration is unbelieva-
23 ble in the light of the devastating impact which
24 construction of the Alyeska oil pipeline had on
25 Alaska."

26 Aware of the fact that the

Notwithstanding the socially disruptive impacts in Alaska, the consultants concluded:

...that the impacts associated with this pipeline are not necessarily those which would be associated with a pipeline in the Northwest Territories. Rather, the determining factor is the socio-economic environment of the area, which is, of course affected by many factors which originated long before there were pipeline or pipeline-related activities.

(NEB, CAGPL direct testimony, Panel 2, p.4)

According to the consultants, the uniqueness of Alaska lay in its history of boom-related in-migration and the inability of the infrastructure to adequately handle that kind of in-migration. (Transcript, 8 March, 1977, p.26,444)

However, in cross-examination it became apparent that Alaska is not quite so unique and that pipeline projects do indeed have a character of their own with tremendous potential for causing great harm to differing socio-economic infrastructures.

Alaska experience with the Alyeska oil pipeline would be a major concern for Canadians, Arctic Gas commissioned a U.S. consulting firm Urban & Rural Systems Associates, to do an impact study of that project. The study discussed the devastating effect on Alaska of unemployment, labour shortages and labour costs, public revenues and expenditures, impacts on public and private goods and services (housing, utilities, public safety) and inflation. (See following page)

Going to the middle paragraph
on page twenty-two:

This study is critically important for the Yukon with its small population of 22,000. The Alyeska project deeply disrupted a population of almost 350,000 people. It seems only logical to conclude that the impact of a pipeline on the much smaller population of the Yukon will be proportionately more devastating.

I understand Mr. Chairman that Arctic Gas will be presenting consultants, Boorkman and Weinstein to the Inquiry, so I will try and paraphrase the remaining part of my evidence.

That panel attempted to make a case on page twenty-three for the fact that the following special characteristics of Alaska explained the massive in-migration in Alaska:

(1) the widespread publicity

1 and immense magnitude of the Alyeska project;

2 (2) the prospect of a high
3 paying pipeline construction jobs, and;

4 (3) the special significance
5 of Alaska, in the mind of Americans, as the last frontier,
6 a place where a new start can be made and a quick fortune
7 attained.

8 They further outlined three
9 crucial factors which aggravated this already tenuous
10 situation:

11 (1) local or resident hire,
12 (2) the location of union
13 hiring halls in Fairbanks,
14 (3) the lack of adequate
15 state planning.

16 It is clear that the "three
17 special characteristics of Alaska" are also "special
18 characteristics of the Yukon". I also suggest that the
19 following discussion indicates that the "three aggravating
20 factors" developed despite all efforts to control them --
21 efforts that are similar to the programs proposed by
22 Foothills (Yukon).

23 Mr. Chairman, I'll go to the
24 bottom of page twenty-four:

25 An important factor brought out
26 during cross-examination of the Alyeska panel was the

1 reality that in-migration of unemployed workers cannot
2 entirely be stopped -- it may only be somewhat controlled.

3 In the words of Mr. Boorkman:

4 "One of the things that we can't be terribly precise
5 about is the boom psychology... Most people who
6 arrived in Alaska were not very well informed
7 about the pipeline and the availability of jobs and
8 when the jobs were going to peak, and all the
9 rest. If they had had that information, it would
10 have mitigated the impact somewhat. But I think
11 public education, in addition to just restructuring
12 the pipeline project would have been required, and
13 I think it would have been of limited utility.

1 Boomers don't act rationally; that's the problem.

2 We are dealing with an irrational act which is
3 well-documented and has a lot of historical pre-
4 cedent; but how do you deal with irrational
5 people doing irrational things?

6 The Alyeska panel went on to explain some of the programs
7 initiated to stem the wave of in-migrating job-seekers.

8 One such program was Operation Intercept which set up booths
9 at the Seattle airport to discourage people from coming to
10 Alaska, saying there were no jobs. The program was abandoned
11 because it failed to work.

12 Another attempt was placing ads
13 in some of the newspapers in the lower forty-eight States,
14 telling people not to go directly to Alaska, but rather to
15 check with the hiring officials in Seattle. As Mr. Boorkman
16 assessed this attempt:

17 "As I say, that didn't stop enough people, if any."
18 Despite all attempts to counter the trend, in 1975 alone,
19 Alaska still drew in forty-eight thousand in-migrating job-
20 seekers.

21 Is it not fair to assume that
22 the lure of a large-scale, highly-visible project, offering
23 the opportunity of high paying work will not have precisely
24 the same attraction for Canadians, especially in this time
25 of high nation-wide unemployment? Foothills hire south
26 program is a good attempt to reduce in-migration of workers

1 with jobs. It is, however, important to realize that
2 Alaska required one year's residence in Alaska as a pre-
3 condition for a job and that didn't discourage in-migration.
4 Furthermore, the success of the hire south program depends
5 on people knowing about it and even if they are informed,
6 the irrational boomers phenomena suggests they would go north
7 anyway with the hope that they would get a job somehow.

8 With respect to the in-migration
9 of people without jobs, Mr. Boorkman's evidence was that
10 Alaska talked at one time about isolating many of these
11 workers, but when it came to the union agreement the workers
12 said, we do not want to live in concentration camps, and they
13 had to modify their practices. They, the unions, were not
14 about to allow a whole bunch of conditions and a lot of
15 sterilized environments to be laid on their workers. As a
16 result, some of the best laid plans for keeping them from
17 impacting on communities went by the wayside.

18 Mr. Boorkman went on to detail
19 the experience of some construction camps outside of Fair-
20 banks:

21 "At one time the company was trying quite reasonably
22 to keep as many workers out of Fairbanks for as much
23 of the time as possible so that they did not over-
24 whelm that city. The workers rebelled. They wanted
25 to go into Fairbanks. They wanted to live with
26 their families who had moved to Fairbanks. They

1 wanted to go into Fairbanks to have a drink or
2 to find other forms of entertainment."

3 It is irrational to assume that
4 Canadian workers will not also rebel against "concentration
5 camp" conditions. It is irrational to assume that Canadian
6 workers will be less inclined to live with their families
7 in Yukon communities. It is also irrational to assume
8 that Canadian workers will not also want to visit the
9 communities to drink or to find other forms of entertainment.
10 Unless we heed the lesson of Alaska, we will only prove
11 once again that "the best laid plans" invariably go by the
12 wayside.

13 With respect to the adequacy of
14 State planning, the evidence of the panel was that, we'll
15 move to the middle of page twenty-seven:

16 "Question: What were the pipeline companies saying
17 about this?

18 Mr. Boorkman: They were talking about the positive
19 impacts.

20 Question: The pipeline companies said, "Don't worry
21 too much about the negative impacts of this pipe-
22 line. We are taking care of those things?

23 BOORKMAN: It is a matter of emphasis more than mis-
24 statement. I think what they said was, "We are go-
25 ing to generate an enormously large revenue for the
26 state, which critically needs it" -- which was a

1 fact -- "and we're going to produce thousands
2 of jobs for Alaska" -- which was a fact. I do not
3 mean that one has to assume bad motives to say that
4 they did not spend a lot of time talking about the
5 effects of in-migration and the strains it was
6 going to cause the State."

7 What this exchange shows is that
8 whether or not it was "a matter of emphasis more than mis-
9 statement", the State of Alaska was blindly led down a
10 primrose path liberally strewn with company promises and
11 assurances that the benefits of the pipeline would outweigh
12 the problems and now, the State is slapped on the wrist for
13 lack of adequate planning to mitigate the damages they were
14 told would not exist.

15 Today the same thing is happening
16 in the Yukon. Foothills is saying there is no need to prepare
17 for negative impact because there won't be any. Foothills
18 refuses to drop its basket of promises and squarely face the
19 wreckage they will leave in their wake. It is much simpler
20 to find a scapegoat, to advise simple adjustments here and
21 there and to liberally toss out hollow promises and assur-
22 ances.

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Unless this Inquiry and the Government of Canada say no to Foothills, the Yukon will suffer the fate of Alaska. Just turn to the one additional problem mentioned by Mr. Boorkman, namely Job Turn-over.

Mr. Moorkman said:

One of the problems that had been inadequately documented but of which we know something, has been the fact that the person -- let's say a native -- in a small community who knew how to run the generator, a vital community service, left and went and worked on the Alyeska pipeline. This would not show up as unemployment as he simply moved from one job to another, but the negative part of that was he took a vital skill out of the village that needed it and there may not have been someone at least in the short term, to replace that skill."

It would be irrational - Page 29 -- to ignore the tragic lessons of the Alyeska experience. We would be naive to assume the well-intentioned plans of Foothills to believe the well-intentioned plans of Foothills to minimize the damages. Canada would be mad to approve a pipeline through the Yukon, the human costs are simply too high.

I respectfully submit that your Inquiry should recommend that the Cabinet declare a ten year

1 moratorium on the building of any natural gas conveyance
2 through the Yukon. I further submit that you should recommend
3 that the moratorium should be used in the following positive
4 manner:

5 (1) To ensure a just, non-
6 pressured settlement of native land claims.

7 (2) To examine the relative
8 merits of proposed oil and gas pipelines from both the
9 Mackenzie Delta-Beaufort Sea and the Arctic Island areas.

10 (3) To determine without
11 question, the effect of pipeline in related construction
12 in all forms of plant, animal, bird and fish life in the
13 North.

14 (4) To involve all Canadians
15 in a public discussion of the just energy policy for Canada
16 as outlined in the introduction of my evidence.

17 Thank you Mr. Commissioner.

18 MR. CHAIRMAN: Thank you Mr.
19 Olthuis. Mr. Dillon?

20 MR. DILLON: Thank you. Mr.
21 Lysyk, Mrs. Bohmer, Mr. Phelps.

22 The GATT-Fly project is pleased
23 to have this opportunity to address the Inquiry. GATT-Fly
24 is a project of five Canadian churches (Presbyterian,
25 Lutheran, United, Roman Catholic and Anglican) and the
26 Canadian Council of Churches working for global economic

1 and social justice. Over the past five years, we in GATT-
2 Fly have been conducting research on the international
3 economic order and on neo-colonial patterns of resource
4 development. We propose to draw on the findings of this
5 research to present some considerations relevant to the
6 question of the probable social and economic effects of
7 building a natural gas pipeline through the Yukon Territory.

8 In general terms, we can say that
9 our findings have been that huge resource development
10 projects seldom contribute very much to the well being of
11 the majority of the population in the countries in which
12 they are undertaken. That is to say, that the trickle down
13 theory of development is discredited, very little trickles
14 down to the poorest sectors of the population.

15 Rather, we have concluded that
16 the majority of the population must bear most of the direct
17 and indirect costs of massive resource development, while
18 most of the benefits accrue to trans-national corporations.
19 We have also seen how indigenous peoples have been particu-
20 larly oppressed by the advent of mammoth resource development
21 for which they were not prepared.

22 Before discussing our particular
23 concerns about the socio-economic effects of the Alaska
24 Highway natural gas pipeline, we believe it will be
25 instructive to look at just one case study concerning the
26 effect of resource development abroad. The case of a recent

1 petroleum exploration and the construction of a pipeline in
2 Peru will serve to illustrate the negative effects of
3 developments there, both on Peru's indigenous population
4 and on the majority of the Peruvian people.

5 The Amazon basin of Peru is, like
6 the Yukon Territory, a frontier region. Despite the
7 slave raids that followed the Spanish conquest and the
8 decimation of population through diseases caught through
9 contact with whites during the rubber and coffee booms of
10 the late 1800's and early 1900's, thirty-six groups of
11 native peoples, comprising some two hundred and twenty
12 thousand individuals still inhabit the Amazon Basin of Peru.

13 Geological teams exploring for
14 oil in this century frequently encountered resistance
15 from some of these native groups. Unfortunately, the
16 church has not always seen the threat to native peoples
17 that massive development brings. Consequently, has not
18 always defended their right to determine their own destiny.
19 And so it was that missionaries played a role in persuading
20 the Peruvian Indians to co-operate with the oil companies
21 and even to enter into wage employment for them, clearing
22 jungle areas and building helicopter pads. Too often,
23 this employment meant that the Peruvian Indians were
24 exploited and cheated by unscrupulous labour contractors.

25 A team of anthropologists has
26 summarized the effects on the indigenous peoples of the oil

1 boom that occurred in the interior of Peru in the early
2 1970's and I quote from their findings:

3 "Indians abandoned their clearings to search
4 for employment with the oil companies. Most
5 of them crowded into Iquitos, the centre of
6 the oil operation.
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1 where they are able to find work of any kind. In five
2 years, the population of the Iquitos increased from sixty
3 thousand to one hundred and sixty thousand people. The
4 abandonment of so many native clearings caused a precipitous
5 decline in local food production so that by 1976 over
6 seventy per cent of the food eaten in the Iquitos had to
7 be flown in across the Andes. Prices as a result were
8 exorbitant.

9 The Peruvian government passed
10 a Jungle Development Law in 1974, aimed at providing some
11 protection to native communities. But economic forces
12 seemed to be causing disintegration at such a rapid rate
13 that the new law, giving land title to native communities,
14 seemed to have little effect...

15 Nearly as soon as it began,
16 the most recent oil boom in the Western Amazon ended. Both
17 exploration and discovery of oil have declined in Peru. The
18 collapse of the boom has brought with it problems for the
19 peoples of Peru even graver than those brought on by the
20 boom itself...

21 When they left, the companies
22 laid off thousands of workers, many of whom crowded in
23 extreme poverty into the town of Iquitos. Others sought
24 to return to the poorly paid lumber industry or to their
25 abandoned agricultural plots.

26 We are not claiming here that

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1 all of the conditions that apply in the Amazon region of
2 Peru are precisely the same as those in the Yukon Territory.
3 However, we do believe that two factors from the Peruvian
4 experience are particularly relevant: Firstly, the fact
5 that massive economic development caused disintegration
6 of a traditional way of life so rapidly that legal
7 procedures such as giving legal title to the land to native
8 peoples did not reverse the disintegrating effects brought
9 on by the development boom. The Council for Yukon Indians
10 has already eloquently presented before this Inquiry its
11 position that no pipeline should be built in the Yukon until
12 land claims are settled and implemented.

13 Here we quote from Daniel
14 Johnson's presentation of May 16th:

15 "My people, through their stand taken in the General
16 Assembly of the Council for Yukon Indians give you
17 their very clear answer to that question: "No
18 pipeline through the northern Yukon in perpetuity
19 and no pipeline through the southern Yukon will be
20 considered until after land claims have been settled
21 and implemented."

22 The second effect of the
23 Peruvian experience is also relevant as an example of how
24 a hasty decision to build a pipeline taken under pressure
25 from transnational oil corporations can have negative
26 effects on the whole of a nation's economy and particularly,

1 on working people. When the government of Peru undertook
2 in 1972 to build an oil pipeline across the Andes wildcat
3 discoveries of oil by Occidental Petroleum Company and by
4 the state oil firm, Petroperu, it created an atmosphere
5 of optimism concerning the potential of oil production
6 in the Amazon area. Peru, however, had no independent
7 knowledge about how much oil was actually lying under the
8 jungle floor nor about the real costs of building a
9 pipeline across such difficult terrain as the Andean
10 Mountains. Believing that it could soon become an oil
11 exporting country, Peru went ahead and signed contracts
12 with foreign construction companies to build a pipeline
13 which would be owned by the Government of Peru. At that
14 time Peru thought that the pipeline, including its terminal
15 and feeder lines, could be completed for \$400 million.
16 Peru then negotiated a \$330 million loan with Japanese
17 public and private concerns that included a promise to ship
18 255 million barrels of oil to Japan as repayment for those
19 loans.

20 After Peru signed the
21 contracts to build the pipeline, discoveries of oil fell
22 off drastically in the Amazon region. It does not now seem
23 likely that Peru will very soon have any surplus of oil
24 for export. Instead, Peru will have to buy oil on the
25 international market for shipment to Japan. At present
26 volumes, it is now judged that a twenty-four inch diameter

1 pipeline will be more appropriate than the thirty-six inch
2 line which has already been built. The final cost of the
3 pipeline and terminal will be close to \$1 billion, two
4 and one half times the original estimated costs. Peru has
5 had to take on new borrowing to meet these higher costs.

6 In addition to the direct
7 costs associated with the pipeline there have been other
8 more far reaching indirect costs insofar as errors
9 associated with the pipeline contributed to a wider
10 financial crisis that has gripped Peru since 1976. We
11 are not saying here that building the pipeline was the sole
12 cause of Peru's debt crisis. Nevertheless, along with
13 such factors as low copper prices, a small anchovy catch,
14 rising costs for imported food and manufactured goods,
15 and the debt associated with building the pipeline, these
16 all contributed to the financial crisis in Peru. By the
17 summer of 1976, Peru was having difficulty making the
18 \$300 million worth of interest payments that were due that
19 year on it's \$3.7 billion foreign debt.

20 In July of 1976, Peru had to
21 negotiate new loans directly with a group of United
22 States banks to tide the country over its immediate debt
23 crisis.
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1 In return for providing these
2 new loans, the bankers demanded domestic policy commitments
3 by Peru that conformed to the pattern that we have observed
4 again and again when countries in debt crises have to
5 negotiate with bankers or with the International Monetary
6 Fund. Among the policy commitments made by the Peruvian
7 Government were:

8 (a) Wage policies that reduced
9 the real purchasing power of Peruvian workers by fourteen
10 per cent (relative to their January 1976 levels).

11 (b) Cutbacks on Government
12 expenditures in the fields of health, education and welfare.

13 (c) Devaluation of the Peruvian
14 currency, the sol, by forty-four per cent (followed by a
15 policy of mini-devaluations that have occurred almost
16 monthly since).

17 (d) Tax breaks and generous
18 compensation for U.S. mining corporations.

19 (e) A thirty per cent increase in
20 food prices that was brought on by the removal of sub-
21 sidies; subsequently, agrarian reform was brought to a halt
22 and the million families now are without the means to produce
23 or procure food while agriculture is being modernized to
24 produce for the external market.

25 As this very brief account
26 indicates, Peru's unfortunate experience with the construc-

tion of a pipeline contributed to a larger national financial crisis that has affected negatively the whole Peruvian population. Although we do not claim here that Canada is in exactly the same situation today as Peru was before the construction of its pipeline, we do submit this Inquiry should take into account, the evidence presented below about the actual state of the Canadian economy and the dangers involved for all Canadians, northerners and southerners, natives and non-natives, in pursuing the pattern of development, dependent on huge resource projects such as the construction of a northern natural gas pipeline.

The data which follows are chiefly derived from recent publications of Statistics Canada. They are presented here because they illustrate how the Canadian economy is tending more and more towards dependence on foreign capital, especially debt capital, and how this phenomenon is already having negative consequences for working people in Canada.

Canada's balance of international indebtedness, a category that includes the net value of all loans and of private direct investment, is growing at a very fast pace. After an annual average growth of 1.1 billion dollars over the years 1969 to 1973, Canada's net indebtedness grew by a record four billion dollars in 1974; another record, 6.9 billion dollars in 1975; and 5.2 billion dollars in 1976. Canada's net indebtedness reached 48.5

1 billion dollars at the end of 1976, double what it had been
2 just a decade earlier.

3 Secondly, Canada was the largest
4 borrower on world money markets in both 1975, when we
5 borrowed some five billion dollars and again in 1976, when
6 borrowing reached 8.8 billion dollars. Most of this new
7 debt was undertaken by Provincial Governments and most of
8 that by provincial crown corporations investing in energy
9 development.

10 The cost of servicing this
11 mammoth indebtedness in interest, dividend, and principal
12 payments is growing at the rate of five hundred million
13 dollars a year and Canada is now in the position, some
14 corporations such as the James Bay corporation, of having to
15 take on new loans, not for investment in producing goods
16 and services, but to finance the earlier borrowing.

17 Some of Canada's creditors are
18 already questioning Canada's ability to go on borrowing at
19 the current rate. In November of 1976, a Wall Street
20 financier told a seminar in Toronto that Canada's current
21 pace of borrowing was not sustainable, either in terms of
22 the willingness of foreign investors to lend or in terms
23 of the capacity of Canada to service its debt. He also
24 advised Canadians that unless you are financially self-
25 sufficient, you better be nice to your bankers.

26 When a country falls into a debt

1 crisis as did Peru in 1976, a consistent pattern of demands
2 are made on the government of that country by its creditors
3 to undertake policies designed to raise capital for payments
4 of its debt. These policies usually include:

- 5 (a) Restraint of wages
- 6 (b) Cutbacks of spending on
7 social services, health, education
- 8 (c) Currency devaluation
- 9 (d) Granting incentives to
10 foreign investors
- 11 (e) Re-orientation of the
12 economy for production for export at the expense of meeting
13 domestic needs.

14 I emphasize that Canada has not
15 yet reached the stage of indebtedness where its private
16 creditors are preparing to negotiate a new set of government
17 policies, as happened with Peru. Nor am I saying that
18 Canada is in exactly the same situation as were the United
19 Kingdom and Italy, when they recently had to undertake
20 emergency standby credit negotiations with the International
21 Monetary Fund. Nevertheless, Canada's indebtedness is
22 rising at an alarming rate and all Canadians have reason to
23 be concerned that it not grow any larger.

24 Furthermore, although Canada has
25 not had to negotiate formally with its creditors, Canadian
26 Government policies are already conforming to the pattern
that creditors usually demand of debtor governments.

1 The Federal Government has
2 already:

3 (a) Instituted an incomes
4 policy under the Anti-Inflation Board which according to
5 estimates from the United Steelworkers of America will
6 cost Canadian workers some one billion dollars in lost wages
7 over the three year period. Some of this sum will be
8 appropriated for paying Canada's foreign creditors.

9 (b) The Canadian Government
10 has already allowed a seven per cent devaluation of the
11 Canadian dollar since 1976. Insofar as the Canadian economy
12 is already dependent on the export of natural resources
13 onto world markets where prices are set in US. dollars
14 this devaluation has been a boom to resource exporting
15 companies but not to the Canadian working people who pay
16 more for imported items.

17 I will add here, Mr. Commissioner,
18 that I am well aware that the short term borrowing that
19 would be associated with the construction of a pipeline
20 would temporarily reverse the devaluation of the exchange
21 rate and would have the effect of revaluing the Canadian
22 dollar upward, however, the point that I wish to emphasize
23 is that long term as the debt grows, so will the pressure
24 from our creditors to devalue the exchange rate. I submit
25 that it's no way to run the country's monetary policy.

26 Furthermore, Provincial Govern-

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1 ments which, as I pointed out earlier, are the largest
2 borrowers in recent years, they have having to cope with
3 the rising cost of servicing their debt. A survey of
4 the 1976 provincial budgets reveals that they are coping in
5 part in the following way: they are curtailing growth or
6 cutting back on provincial employment. In Ontario, British
7 Columbia, New Brunswick and Newfoundland.

8 They have effectively increased
9 the cost of health care through higher premiums or
10 lower subsidies in Quebec, Ontario, Nova Scotia and
11 Newfoundland.

12 They have delayed construction
13 programs, schools and hospitals in Prince Edward Island
14 and Newfoundland.

15 These are examples of the
16 kinds of cutbacks you see.

17 While these federal and
18 provincial policies are pleasing to Canada's creditors,
19 they all result in a lower standard of living for the
20 majority of Canadians, and too often affect most those
21 Canadians who can least afford it. Such policies are
22 the indirect cost of a huge foreign debt. Any decision
23 to go ahead with the construction of a northern natural
24 gas pipeline at this time could push Canada's debt further
25 towards a crisis even though the ^{new} debt would initially be
26 assumed by private corporations and not by Canadian govern-

1 ments. We are aware that the consortium planning this
2 Alaska Highway pipeline has not asked for government
3 financial guarantees. Nevertheless, we submit that this
4 Inquiry should ask the question what does happen if cost
5 overruns occur such that the sponsors of the project
6 cannot raise the necessary additional capital?

7 Abandonment of a half-
8 completed pipeline of course is a remote but nevertheless
9 real possibility. The consortium members are incorporated
10 as limited liability companies that could be liquidated
11 if worse came to worse without dragging their parent
12 companies into bankruptcy as well. But experience shows
13 that lenders who had sunk billions of dollars into the
14 project would hardly be willing to write-off the massive
15 debts. As Mr. Robert Blair, president of Alberta Gas
16 TrunkLine, admitted under cross-examination before the
17 National Energy Board, in the case of massive cost overruns
18 creditors would be putting pressure on the Government of
19 Canada to intervene to save the project. Canadians should
20 be mindful of the precedence set by the Syncrude Project
21 when the governments of Canada, Alberta and Ontario
22 intervened with new financing after its corporate sponsors
23 threatened to abandon the project.

24 How real are the possibilities
25 of cost overruns of such magnitude? Lemberg Consultants
26 Ltd. did a cost overrun study for Foothills and found that

1 the Canadian portion of the Alaska Highway project might
2 cost up to 125 per cent as much as its initial projected
3 cost. In the worst case of three possible delay scenarios
4 which involved a six month delay in start up and a further
5 six month delay during construction, the Lemberg consultants
6 said the cost overrun could reach 45 per cent of the
7 estimated cost. The cost overrun study into the Mackenzie
8 Valley line commissioned by the Federal Department of
9 Energy, Mines and Resources projected a worst case three
10 year delay that would double the cost of any Mackenzie
11 Valley pipeline. In light of the actual experience of
12 other massive resource development projects all of these
13 cost overrun estimates seem conservative.

14 Above we described how the
15 cost of the trans-Andean pipeline in Peru grew from \$400
16 million to close to \$1 billion, that is two and a half times
17 its initial estimate. Similarly, the Itaipu dam project
18 in Brazil was supposed to cost \$2 billion to build but
19 ended up costing \$6 billion, three times the original
20 cost. Canadians are more familiar with the experience
21 of the James Bay project where initial costs were set at
22 \$5.8 billion, but have already risen to \$6.2 billion over
23 officially. Unofficially, one New York banker says -- has
24 been reported as saying that he expects the James Bay
25 project to cost \$30 billion before it is completed.

26 More relevant still is the

1 evidence about the Alyeska pipeline which this Inquiry has
2 already heard from other witnesses. I'll continue on point
3 26.
4

5 "More relevant still for this Inquiry is the
6 experience of the Alaska oil pipeline. Their
7 initial costs were set at \$900 million but
8 rose ten fold before completion. Of course the
9 Alcan consortium will have taken the Alaska
10 experience into account in preparing their cost
11 estimates. But does this Inquiry have a per mile
12 breakdown of these cost estimates? Even allowing
13 for the fact that the proposed Alcan line will
14 in part follow established transportation
15 corridors a per mile cost breakdown could be very
16 in-constructive. In testimony before the National
17 Energy Board, Dr. John Helliwell has shown that
18 Canadian Arctic Gas proposes to build its gas
19 pipeline north of sixty degrees latitude for
20 \$4 million a mile when it cost \$10 million a mile
21 to complete the oil pipeline across Alaska.
22 Surely common sense on the question of cost overruns
23 should be valued as much as the testimony of the
24 "experts".

25 In addition to the indirect
26 costs of Canada's growing indebtedness discussed above

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1 there are other direct costs for the majority of Canadians
2 associated with the financing of the Alaska Highway
3 pipeline.
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1 In its submission to the
2 National Energy Board, Alberta Gas Trunk Line made it clear
3 that "as much debt capital as is practicable will be raised
4 in Canada with the balance to be sought in the United
5 States, but every dollar that Canadian banks, insurance
6 companies or pension funds lend for the construction of a
7 pipeline to bring Alaskan gas to markets in the lower
8 forty-eight States, is a dollar that is not available for
9 investment elsewhere in Canada. It is not available for
10 lending to farmers or to small businessmen or to industry
11 producing goods and services and permanent jobs needed
12 by Canadians. Nor is that dollar available for household
13 mortgages. Instead it is invested in building a Panama
14 Canal across Canada with very dubious effects on the rest
15 of the Canadian economy.

16 Therefore, we conclude by saying
17 that in addition to the costs in terms of damage to the
18 environment, in addition to the unquantifiable cost involved
19 in imposing a massive pipeline development on the native
20 people of the Yukon without their having achieved a just
21 land settlement, there are also economic costs involved for
22 the majority of Canadians, if an Alaska Highway pipeline
23 is built at this time.

24 Therefore, there will be indirect
25 costs for all Canadians insofar as the project pushes
26 Canada's precarious debt situation further towards the

1 crisis. Furthermore, there are other direct costs to
2 Canadians insofar as opportunities to develop other more
3 socially useful projects are sacrificed, while manpower,
4 capital and materials are tied up building a pipeline.

5 Finally, there is a question of
6 who decides what is in the national interest. A majority
7 of the Canadian people have not been adequately consulted
8 concerning an Alaska Highway pipeline, nor -- I emphasize
9 the alternative uses of capital and manpower that would go
10 into a pipeline. When the Mackenzie Valley Pipeline Inquiry
11 travelled through Southern Canada, many Canadians had the
12 opportunity to tell Mr. Berger their feelings about the
13 Mackenzie Valley project.

14 It is regrettable that the
15 duration of this Inquiry does not allow it to hear from
16 more southern Canadians. We cannot speak here for all
17 southern Canadians, but we submit that their interest in
18 the pipeline projects are crucial. Would southern Canadians
19 permit an act of violence against the native peoples of the
20 Yukon merely to build a Panama Canal across Canada to take
21 Alaskan gas to U.S. markets? Would Canadians, with their
22 country already deep in debt, want it to fall even more
23 deeply into debt for a project that will produce few
24 permanent jobs and no goods or services needed by Canadians?

25 We submit that were Canadians
26 consulted? The answer to these questions would be negative.

Therefore, we propose that this Inquiry recommend there be no decision taken on the Alaska Highway pipeline until:

(a) The land claims of the native people of the Yukon are settled and fully implemented.

(b) Southern Canadians have had an opportunity to determine whether an Alaska Highway pipeline is in their interests and worth the risks involved.

For these reasons, we join the call for a moratorium on any northern pipeline. Thank you.

MR. CHAIRMAN: Thank you Mr. Dillon.

MR. JOE: Thank you Mr. Dillon. Mr. Chairman, if I could at this time, I'd like to file a report of the Panel of Public Inquiry into the Northern Hydro Development which was a supplementary to the evidence given by Father Teixeira.

(REPORT OF THE PANEL OF PUBLIC ENQUIRY INTO NORTHERN HYDRO DEVELOPMENT, APPOINTED BY INTERCHURCH TASK FORCE ON NORTHERN FLOODING, MARKED EXHIBIT 84).

MR. JOE: This Panel is now available for cross-examination. I'd first call upon Mr. Bayly representing the Yukon Conservation Society.

MR. BAYLY: Mr. Chairman, just before I begin and so that I don't forget before the weekend, I have a number of things to file. It won't take

1 more than a minute.

2 MR. CHAIRMAN: Surely.

3 MR. BAYLY: I have a report
4 called a Socio-Economic Survey of Fort Nelson prepared by
5 ARDA-Canada Land Inventory Project. I have some evidence
6 to file, the evidence of Mr. W.J. Klassen and the evidence
7 of Mr. Ron Jakimchuk.

8 MR. CHAIRMAN: These relate to
9 the Panels for next week do they?

10 MR. BAYLY: They do sir, yes.
11 I have copies available for the participants and for the
12 Press as well.

13 (REPORT #5, ARDA-Canada Land Inventory Project #49009,
14 SOCIO-ECONOMIC SURVEY OF FORT NELSON, ORDER 1968
15 MARKED EXHIBIT 85).

16 (EVIDENCE OF W.J. KLASSEN MARKED EXHIBIT 86).

17 (EVIDENCE OF R.D. JAKIMCHUK MARKED EXHIBIT 87).

18 CROSS-EXAMINATION BY MR. BAYLY:

19 Q Now, Mr. McCullum, I
20 have a few questions for you sir. Can you tell me if I am
21 understanding you correctly, if I say that you described
22 the procedures of our society in your evidence in planning
23 for and building major energy projects as being fairly
24 consistent across the northern part of the country?

25 MR. McCULLUM: Yes, that's
26 correct.

1 Q Although these projects
2 may involve hydro as opposed to gas and oil as they do in
3 this case?

4 A The patterns of development
5 seem to be the same.

6 Q Yes. And you're saying
7 that the Alcan project as put forward by Foothills, fits
8 into this pattern in many ways?

9 A Yes, it would appear to.

10 Q One of the differences I
11 take it being that it is not an extractive proposal for
12 the taking out of Canadian resources unless the Dempster
13 Lateral is given approval?

14 A Yes, I think that's
15 correct.

16 Q And what you're saying'
17 further is that projects of this nature either ignore the
18 rights and the claims and the lives of local people, and
19 particularly native peoples, or that they accept that these
20 people must change because the project is in the national
21 interest.

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1 A That's correct.

2 Q And that you have
3 led evidence of a list of projects in which the regional
4 interests, particularly those of native peoples, but also
5 those of local non-native peoples are sacrificed to the
6 national interest.

7 A Yes, that seems to
8 be correct.

9 Q One of the things
10 that struck me when I read your evidence first was that
11 I found it difficult to think of a project in this country
12 where that has not happened. Other examples, either in
13 this part of the world, in this country or in other
14 countries, where in fact the regional interests have been
15 honoured in a way other than we seem to regard them in
16 this country.

17 A I can't think of
18 any examples that immediately comes to mind.

19 Q So what we're really
20 hearing in your evidence is that we should look at a
21 fundamental change in the way we balance regional and what
22 we call national interests?

23 A Yes, that's
24 correct.

25 Q I take it that the
26 dilemma that we face in doing so is not something that is

1 unique to the North and that we have heard the same kinds
2 of concerns in the South with projects such as the Pickering
3 Airport or the Mirabel Airport, for example.

4 A Yes.

5 Q What's different here

6 I take it is that the people who are involved who are least
7 able to make their voices heard are native peoples in the
8 northern part of the provinces and in the two territories
9 of this country?

10 A That's correct.

11 Q And I take it it's

12 for that reason you and the members of this panel and the
13 panel previously feel that southern Canadians should become
14 involved in this and speak out in support of the --
15 particularly the native peoples, but also the non-native
16 peoples who are likely to be affected by this project?

17 A That's correct. I
18 think also in the other element that is common to most, if
19 not all, of these projects is the fact that it is never
20 adequately demonstrated what is the national interest, Or
21 that in fact in the long term, as I think some of the
22 other evidence of this panel has indicated, whether these
23 kinds of projects are in the Canadian national interest.
24 Very often they are much more in the -- if they are in
25 anyone's interest, they are in the American's national
26 interest.

Q And you have pointed that out that very often they -- what is extracted, whether it's minerals or whether it's non-renewable energy resources, are shipped to other parts of the world, I mean in particular to the United States of America?

A Well yes. I think it's the old hinterland colonial pattern of resource development, where the natural resources are extracted, transported out of the country, with little or no benefit to the country as a whole, and particularly with little or no benefit to the region.

Q So that if some benefits go to the country, even fewer benefits go to the region, but most of the benefits go outside the country of many of these projects?

A That would be my observation, yes.

Q I take it that in this reassessment, if we can call it that, of what is the national interest and in the rebalancing of regional and national interests, it isn't sufficient just to point the finger at industry or government or individuals in the South or any part of the country, we have to look at ourselves individually and collectively, because we have as a nation come to think of projects in the fashion that you have described?

1 A Yes, I think that
2 is correct.

3 Q And that in fact
4 you are saying that the opinions and philosophies which
5 people have accepted in the South that native peoples
6 in particular should either be assimilated or that their
7 wishes should be either ignored or overridden in some
8 other interests, are not necessarily the philosophies
9 of people of bad intent or bad faith, but what has to be
10 done is a re-education process so that people will become
11 aware of what is actually being done to peoples in the
12 hinterlands as a result of these kinds of development
13 projects?

14 A Yes, I think that's
15 correct.

16 Q Part of your job,
17 I take it, or the job that this panel, the panel previously,
18 and the people you represent, is at least in part educative
19 to make the southern public aware that there is more
20 involved in this project than the transportation of a
21 commodity?

22 A Yes, I think we
23 certainly have an -- or try to have an educational function.
24 I think we also think it's important that these kinds of
25 projects be seen in a wholistic manner that to isolate the
26 pipeline to the southern part of the Yukon is not a valid

2 way of examining the data, but we have to examine its
3 impact on the native people, on the environment, on the
4 economy, and on the kind of lifestyles that we have
5 continued to espouse and that we believe that what is
6 called for is a fundamental re-orientation of values
7 that place human development ahead of economic development
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1 or at least on a par with it.

2 Q Right. So, in this --
3 in the way that we're doing things, in major projects, various
4 interests have a role, the Government has several roles, perhaps, but
5 industry has assumed a role and in regard to this project
6 they have applied to build a facility and have in a sense
7 requested that the public here and elsewhere respond to that
8 application. In a fundamental re-looking at projects like
9 this, what would you like to see applicants doing, and I
10 realize that what they're doing is often governed by statute
11 so they may not be able to do that in the models we now
12 possess, but how would we assess, in the new way of looking
13 at things, a development possibility of this sort?

14 A Well, I think an
15 inquiry such as this one and the inquiry conducted by Mr.
16 Justice Berger, have indicated very clearly the fact that
17 people do not feel that they have any opportunity to have
18 serious input into the decisions that lead up to applications
19 to build pipelines or in the decisions that are involved in
20 setting terms and conditions on which projects such as pipe-
21 lines are governed. I think the ideal way, and I know
22 that probably the industry would immediately respond and
23 say that that's too slow and too inefficient -- but I think
24 that the most valid way would be for, from the very begin-
25 ning, that the people who are most directly affected would
26 be given the opportunity to have input into the decision-

1 making process and that would, that, all too often, if not
2 all the time, these massive projects are so far down the road
3 that the only thing that can be done with them is to tinker
4 with them a little bit and to minimize certain impacts but
5 the basic fundamental question as to whether or not they are
6 in the best interests of the nation or of the region is
7 never addressed until it's far too late. So I think that
8 we might have to go through the somewhat inefficient process
9 of allowing people to get involved with corporations and with
10 government in making decisions about events that will forever
11 change and shape their lives.

12 I don't think that that means
13 that you just stop development; it simply means that you
14 allow for a greater participation which is, you know, it
15 used to be called democracy, a greater participation on the
16 part of people in decisions which are going to affect their
17 lives, because, obviously, the construction of the Alaska
18 Highway and the Alaska Highway pipeline and so on, will
19 forever change the patterns of living the people have dev-
20 eloped, and that may be all right, but I think that they
21 should have the opportunity to say that is the way they want
22 it to go.

23 Q And I take it that if
24 we can move this, perhaps, a step further, and look at the
25 Yukon territory as a region, that in one way you're suggest-
26 ing that people should be involved with industry and with

1 governments in developing plans for the whole region, whether
2 they be land use plans, or whether they be social plans, or
3 development plans?

4 A Yes. Yes, that's
5 correct.

6 Q And after that it may
7 be then the time to request from industry or others, applica-
8 tions to implement that plan according to their special
9 interests or special expertise?

10 A Yes, I think that's
11 correct.

12 Q And I take it that
13 one of the problems, as you have said, is that the informa-
14 tion about a project gets to people after the project has
15 gone a long way down the road either inside industry itself
16 or in industry-government negotiations, and people only res-
17 pond to a project rather than are involved in the planning
18 of and for it.

19 A Or that they receive
20 the information in a fashion that is, you know, totally
21 incomprehensible to most people. We too often see the pattern
22 of the exchange of slick, glossy documents between senior
23 management levels and senior levels of the bureaucracy and
24 that is called and interchange of information. But to the
25 average citizen or to the native person of the Yukon or to
26 the average citizen in the South, the information is totally

1 incomprehensible. And so I think that again the involvement
2 of the exchange of information that is understandable and
3 with the implications of both sides, very often the informa-
4 tion is shaded or deliberately misleading to make the best
5 possible case that there is with little, again, little or
6 no regard for the people who are involved.

7 Q Now, given human
8 nature, we can't expect people not to put their cases in the
9 best light because I think we all do that, but I assume that
10 what you're saying is if there were a co-operative effort in
11 putting out a proposal in an understandable form and with
12 consultation with the various interests, the -- as many of
13 the ramifications as could be predicted, of a project, could
14 be seen and probably at least fundamentally understood by the
15 public?

16 A Yes, I think it means
17 a very serious development of new processes of doing things,
18 of which inquiries such as this and Judge Berger's inquiry
19 are certainly an important first step.

20 Q Could I move then to --
21 one more question for you, Mr. McCullum, and that is this.
22 At this stage of this process, we have an applicant, we have
23 a fairly traditional approach to the filing of an application
24 to do something. If you were giving advice to Foothills,
25 what could they do at this point, given that they have an
26 application and given that they feel they are responding to a

1 public demand for resources, not in this country, but in
2 another country, and given that they feel there is a need for
3 a facility somewhere to transport fuel from A to B?

4 A Well, I think that we
5 should bear in mind that there's a perfectly viable way,
6 according to the Federal Power Commission of the United States,
7 to transport the Alaska gas to the Lower Forty-eight, so that
8 I think that the best advice that I would give to Foothills
9 would be that they should either withdraw their application
10 or shelve it for ten years.

11 Q Okay.

12 Could I turn, then to you, Mr.
13 Olthuis? I have a couple of questions for you.

CROSS EXAMINATION BY MR. BAYLY:

MR. BAYLY: You've referred through your evidence, and specifically at page 10, to the very large captial expenditure that this project would require -- somewhere in the neighbourhood of three billion dollars. And there was some suggestion this morning that perhaps a sum of money could be invested in the Yukon to develop the Yukon in the way that the people here might like to see development take place. May I ask you this, though, are you concerned no matter where large amounts of capital like that are put, that we should be looking at in this country for more labour intensive and fewer capital intensive projects because of the difficulty in finding capital and what the effect of placing it in one spot does to another part of the country?

MR. OLTHUIS: Yes, very much so. I think the capital and energy intensive nature of our production system and consequently the labour unintensiv^{nature} of that system is, to a very large extent, responsible for growing unemployment and that for every hundred thousand dollars one puts into a capital intensive project like a pipeline, you may create two or three jobs in the short-term and if that hundred thousand dollars would be put into an alternative, more labour intensive use, it would probably create four or five jobs initially and such would, in a commulative way, create many more jobs. So that, I would suggest that before an Inquiry of this kind make any recommendation.

on a pipeline application like this, it would announce to the people of the Yukon, look, we've got an application for a pipeline. We would also like to receive applications for alternative kinds of development and we are going to look at the advantages and disadvantages of all the alternative proposals for development, such as community based more labour intensive things that I hear the Council for Yukon Indians talking about.

So that the Commission then would have before it a number of proposals and it could judge the relative advantages and disadvantages. Now we have one proposal and all one can do is look at its consequences without any comparative possibilities and we're suggesting that more labour intensive alternative possibilities would be desirable for the south in Canada and we hear the native people saying the same thing in the North.

Q Now, with regard to financing, the National Energy Board does look at financing, but I take it that your complaint is that they only look at it across one segment of the economy and not across the whole economy?

A Well, the major complaint, Mr. Bayly, is that the only information before the National Energy Board is the impact of using this money for a pipeline. There is no information about what would happen to

the economy if the money was used for another project. For example, there was evidence before the National Energy Board, if you took this same amount of money and you put it into a national insulation program for Canada, half of the money would go into jobs and the amount of money saved by the insulation program would amount -- the amount of energy saved by the program would be more than the present proved reserves in the Mackenzie delta.

Now, that kind of thing is critical and these aggregate macro-economic computer models give no indication of where this three billion dollars will be coming from, which leaves us with the conclusion it will be coming from the sectors of the economy that need it the most. That it's going to be much more difficult for the small businessman, the farmer, fisherman, to get money, because the lending institutions find it much better to put the money into large scale projects with guaranteed large returns. So it will be the poorer sectors of the Canadian economy that will be, suffer the disadvantages and it will be as Foothills says in their application, there'll be the creation of three billion dollar corporations in this country, namely, the capitalization of Foothills - or Alberta Gas Trunk Line will double, Westcoast will triple and that capitalization will be at the expense of these human needs in Canada.

Q So, you're saying that given that

1 only so much money is available, that one of the regional
2 impacts in the Yukon may be that although they may have
3 a very capital intensive project running along the High-
4 way, away from the Highway the things that they might
5 either rather or in addition want to do in this
6 Territory, might be impossible, given that there just
7 won't be enough money for them?

8 A Yes, and that most of
9 the money put into pipeline construction will go to the
10 South. I mean most of the equipment, the pipe, just about
11 everything, the money goes back South, it doesn't stay
12 here.

13 Q So, except for the
14 labour for those people who will be working here and what
15 secondary businesses generated and stimulated, most of
16 the fortunes made from this will be made in other parts of
17 the country?

18 A And if we accept Foot-
19 hills evidence about people being flown in and out, at
20 least the money earned by people in the camps will fly
21 directly out with them into Edmonton, not into communities
22 here.

23 Q You have similar cri-
24 tisims to those at Mr. McCullum, on page 28 and the concern
25 I have is what sort of steps do you feel that the govern-
26 ment should take either to help in the planning or to

1 prepare for the various impacts that will accompany or
2 follow this project or to impose conditions on the Appli-
3 cant, if this project were to go ahead to mitigate or
4 avoid some of those impacts?

5 A Well, the first
6 thing I'll say, Mr. Bayly, is that an Inquiry of this kind
7 can serve a very valuable role in changing the process
8 that the process basically now is that we're going to look
9 at a project in terms of economics and then we're going to
10 minimize the damages. So, the process is how can we min-
11 imize the damages of the project in terms of environment,
12 in terms of native people and so on. And we would sug-
13 gest that the process be changed so that each of these cri-
14 tical factors, each factor of our society that is affected
15 by the proposal be looked at and considered in terms of
16 the decision of whether or not to proceed with the pipe-
17 line.

18 Foothills' application basi-
19 cally accepts that a pipeline should be built and is saying
20 we want to consult with the people of the Yukon as to how
21 we can best implement that project.

1 We don't think that's good enough. They should be consulting
2 with the people of the Yukon with respect to whether or not
3 the people of the Yukon want that project so that when --
4 so that it should come in a very preliminary form to the
5 people of the Yukon saying we're thinking about getting
6 together a proposal relating to a pipeline and would like
7 to have consultations right from the very beginning in
8 terms of that, and then a commission or the government would
9 say and we want you people also to develop alternative
10 proposals for development, and as I said before, would
11 look at them all together.

12 That would be the critical
13 role of government. Not just to say because Foothills
14 puts in an application -- quickly let's get a group
15 together to consider the application. But to say well, fine,
16 that's one proposal we have. We would like to invite the
17 people of the area concerned to come with other proposals,
18 we'll look at it carefully, we won't be bound by Washington,
19 or Houston, or whatever, we'll take the time to do things
20 really right in this country. That's the new process that
21 we are suggesting as a -- that we ought to have a
22 transition towards.

23 Q Do you feel that
24 with regard to this project there is still time to redo
25 things in light of that kind of process?

26 A Very much so. I would

think that the recommendation of the Inquiry could be that this application be put on the table, that we give the native people of the Yukon and other people of the Yukon time to develop alternative proposals for development in the Yukon, we all come back ten years from now and look at the advantages and disadvantages of all those projects.

Q Although, you probably agree with me that we shouldn't fail to meet between now and ten years from now, that this should be an ongoing process and should fill those ten years as a very busy time for this part of the country.

A Very much so, and but that that not be part of the need to make a decision within a very compacted time situation, but that a decision would be reached when it appears that the situation itself calls for the decision. I think the differences that there are between people in the Yukon about this project is by itself one of the best reasons for calling for a moratorium. People are not agreed, so let's call for a moratorium and see if a process can be set up whereby a greater degree of agreement in terms of the Yukon can be established and let this process be the impetus for that kind of thing to get under way.

Q Now, some people may say about this, Mr. Olthuis, and I'd like you perhaps to comment on it, that we can't eat words for ten years. Are

1 there any things we can do or stimulate in that period of
2 time to allow things to happen in this territory other than
3 a massive project like this, or are we really committed
4 to leaving the status quo as it is, having in mind that
5 there are some industries here, and spending the next ten
6 years or whatever it takes, assessing it?

7 A I would think that
8 it would be in the interest of the Yukon and for the rest of
9 Canada if, for example, regional development funds could
10 be allocated to the Yukon, and I think, in particular the
11 Council for Yukon Indians, to develop alternative
12 development programs. We heard yesterday about the
13 viability apparently of canoe manufacturing at Teslin and
14 there have been other examples that I have heard during
15 the couple of days that I have been here and I think it
16 is those projects that are going to have to be stimulated
17 also via governmental funding over the next number of years.
18 But that it takes time in consultation and community
19 consensus to do that and the government's role is the
20 funding of certain of those projects, rather than risking
21 the funding of Foothills (Yukon) in terms of cost overruns.

22 Q You would say that
23 some of these things could actually be put into motion
24 during this period. We wouldn't have to have them all
25 lined up at the end of ten years like chuckwagons waiting
26 for the starting gun?

1 A Oh no, I think it's
2 an ongoing process and from what I have read in terms of
3 the submissions by the Council for Yukon Indians and the
4 people that I have talked to, this is already a process
5 that is under way.

6 But that the
7 process will be stopped if the pipeline proceeds.

8 MR. BAYLY: Those are all the
9 questions I have. Thank you very much gentlemen.

10 MR. ROLAND: Mr. Morrison?

11 MR. MORRISON: Should I just
12 go ahead Mr. Roland?

13 MR. ROLAND: Yes.

14 MR. MORRISON: Okay.

15 CROSS-EXAMINATION BY MR. MORRISON:

16 MR. MORRISON: Mr. Dillon, my
17 name is David Morrison. I have a few questions for you.

18 On the first page of your
19 evidence you testify that GATT-Fly has been conducting
20 research on international economic order over the past
21 five years. Would this international economic order deal
22 with the economy of the Yukon as well?

23 MR. DILLON: The specific
24 research we have been doing centres on the debate within the
25 United Nations on what the Third World countries are calling
26 their demand for a new international economic order. Two

1 chief issues there are being issues of commodity trade and
2 of international debt. Pursuing this research, it's come to
3 our attention again and again that the real development
4 questions are those decisions that have to be made at the
5 national level. This has led us to look more and more at
6 the internal economic situation of Third World countries
7 and also at their hinterland regions.

8 What I am describing here is
9 a process that led us to ask what creative steps are being
10 taken within Third World countries, in the light of the
11 kind of debt problems, the kind of fluctuations and
12 commodity prices that they face that have such devastating
13 effects on Peru. What we found there is that there are
14 beginnings of some very exciting thinking going on in
15 Third World countries. Places like the University of the
16 West Indies, the University of Dar es Salam, about concepts
17 of development that are alternatives to massive resource
18 development projects it's a new colonial pattern.

19 So, yes, we're beginning to
20 look at concepts that I think could be very excitingly
21 pursued in the Yukon.

22 Q Yes, that's fine,
23 but you haven't answered my question. I asked you if you
24 looked at the Yukon's economy in this context? Specifically
25 now, Mr. Dillon.

26 A Specifically, we did

1 not have -- we have not had time to conduct any specific
2 inquiries on the Yukon economy.

3 Q Okay. Go ahead, I'm
4 sorry.

5 A Well in terms of
6 my understanding of the terms of reference to this
7 Inquiry, we conducted research that we felt was relevant to the
8 national economic question in Canada, which in my reading
9 of the terms of reference of this Inquiry, that would be
10 admissable evidence.

11 Q That may well be.
12 I was just looking at the title here, it says: "Alaska
13 Highway Pipeline Inquiry", I just wanted to know if you
14 had done any research on our economy locally?

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A Not specifically on the Yukon economy unfortunately.

Q Okay and so therefore, you -- when you say you are drawing on the findings of your research to present some considerations on the effects of a building of a natural gas pipeline through Yukon, you're drawing on your research from other areas and you are applying it to our economy locally?

A That's correct. We are arguing by analogy.

Q That's right and you will agree -- you must agree with me then that you think that the economic order in other areas can be applied here?

A No, I don't think there is any blueprints, I don't think any two economies are exactly the same. I do think by looking abroad, we can learn a lot about what does happen and we can learn some lessons about what to avoid and perhaps even about what to create.

Q I think that's probably a good statement to make, but I don't understand how you propose to draw on the findings of your research to look at this natural gas pipeline here when you haven't researched the economy here. Perhaps you could help me with that.

A As I say, our methodology

is an imperical methodology. We're looking at what happened in other instances and we are saying that raises serious questions.

Q Okay, so let me follow through on this. What you're saying to me is that you have looked at what has happened in other instances and you are applying that to what you think might happen here?

A We're saying there is a great weight of evidence in that in many cases, the same patterns have emerged and that --

Q Excuse me, Mr. Dillon, what same patterns? You haven't looked at our economy here.

A I've looked at patterns of the consequences of massive foreign debt.

Q No, can you answer my question?

A Which I applied to the national economy, no.

Q You haven't compared -- you haven't taken your experience in other areas and compared it with the local economy in order to reach your conclusions?

A I say very explicitly in paragraph six on Page 3 that we are not claiming that all the considerations that apply in the Amazon area of Peru are the same as those in the Yukon Territory. We say there

1 are two considerations that we consider important.

2 Q That's fine. You say
3 you're not claiming that all of the conditions apply. Are
4 you claiming that any of the conditions apply?

5 A Certainly.

6 Q Okay, how are you doing
7 that then if you haven't looked at the local economy?

8 A We are claiming that
9 national considerations in terms of debt apply and also the
10 effects on indigenous peoples of a land claim settlement --
11 a land settlement that was done while rapid economic
12 development was already taking place is a relevant consider-
13 ation for this Inquiry.

14 Q Good. Now, just to
15 follow that along, you made certain statements about
16 relevance but how do you know they're relevant if you
17 don't know what the local economy is all about?

18 A Well,--

19 Q You don't in other words
20 then?

21 A I know that the experience
22 in Peru has been that economic forces were such that the
23 settlement -- the attempt to settle a land claim to give
24 people title to their land while massive development is
25 already taking place, was frustrated and I propose that the
26 same could happen in the Yukon Territories.

1 Q There is a difference
2 then in what you've just said and what we were talking about
3 before. You are proposing that that could happen, but
4 you're proposing that on the basis that you know, if a
5 building falls down in New York, that one could fall down
6 here?

7 A I heard Mr. McCullum's
8 evidence that in the James Bay situation, the fact --

9 Q I'm not talking about
10 Mr. McCullum's evidence, I'm talking about your evidence.

11 A My evidence I state very
12 explicitly. I'm drawing on one case study. There are
13 other cases that also would confirm the same point, but the
14 attempt to implement a land settlement --

15 Q Excuse me, Mr. Dillon.
16 You're drawing on a case study and you say that there are
17 other cases that would attempt to -- or would confirm the
18 same point --

19 A That's right.

20 Q -- confirm what same
21 point, because you don't know what the local economy is
22 all about. How can you compare them?

23 A The point of comparison
24 here is not the description of the local economy, the point
25 of comparison is the fact that massive economic development
26 can frustrate an attempt at a land settlement.

Q Let's move on a little bit then. Section 2 on Page1-- that your findings have been -- that huge resource development projects seldom contribute to the well being of the majority of the population.

A That's correct. In my verbal testimony, I added, that is to say, that the trickle-down theory is largely discredited. Very little trickles down to the poorest sectors of populations.

Q Okay. I take it then that we can just assume from your previous testimony or the previous answers to the questions I've been asking you, that you are just taking that assumption and applying it here?

A Yes, I'm saying that we -- as Mr. Olthuis said very eloquently I believe in his evidence -- concerning the capital that would be involved in the construction of the Alaska Highway pipeline, would return to the south. Very little would remain in the Yukon Territories. That's the illustration of that.

Q That's fine Mr. Dillon. We'll get to the capital later. Okay, let's go to paragraph 4 - the Amazon Basin of Peru is like the Yukon Territory, a frontier region. Okay, now you have just told me that we were talking about national comparisons, that you're talking about a national comparison okay.

But in paragraph 4 here, I see

1 that you've actually come down to specifics. You are now
2 talking about comparing a project in Peru with the Yukon
3 Territory?

4 A Yes, because I wanted
5 to make the specific point about an indigenous population
6 that did not have legal title to land.

7 Q You just also told me
8 that you didn't know anything about the local economy.

9 A I have not had time to
10 make a thorough study of the local economy of the Yukon.

11 Q Good. Then Mr. Dillon,
12 I ask you once again, how can you compare the project or
13 perhaps back that up, how can you compare the Yukon
14 Territory to the Amazon Basin of Peru, if you know nothing
15 about the local economy?

16 A I can compare them inso-
17 far as they were both situations where there was on indigenous
18 population that did not have legal title to its land where
19 massive development intervened and where in the first case,
20 in the case of Peru, a subsequent attempt to provide legal
21 title was not sufficient to protect the rights of the people.
22 That's how I compare it.

23 Q So in other words, you
24 can do it superficially and give us the impression that you
25 are creating a detailed analysis of the situation?

26 A I've never claimed to be

1 giving a detailed analysis. I am claiming to be raising a
2 very cogent point.

3 Q On Page 3, the second
4 paragraph, it says, "but economic forces seem to be causing
5 disintegration at such a rapid rate that the new law giving
6 land title to the native communities seem to have little
7 effect."

8 I take it from the text of your
9 statement, you're comparing that the economic forces in
10 Yukon have also done the same?

1 A I'm saying that
2 the economic forces that would be brought on by --

3 Q Oh no, no, no, no
4 Mr. Dillon. You're comparing cases. Okay, you're
5 comparing a situation in Peru and a situation that happened
6 in Yukon.

7 A Yes, the parallels
8 are very interesting in that respect because in the Peruvian
9 situation, the rubber boom and the, I believe it was a coffee --
10 I'd have to check it -- the earlier development, just like
11 the Alaska Highway. It wasn't a territory where there had
12 been no contact. It was a territory that had been affected
13 somewhat by development already, just as the Yukon has
14 somewhat been effected.

15 But the new massive development
16 of the oil exploration, is the case I am pointing
17 to. While the Yukon Territory is on the verge of
18 considering new massive development, namely the pipeline.

19 Q I thought we were
20 talking about a historical comparison here, are we? Peru
21 and the Yukon, a historical comparison?

22 A Yes.

23 Q Okay.

24 A Fortunately for the
25 people in the Yukon, they are at a point in their history
26 where an important decision will be made and they can profit

1 from what they learn from the Peru situation. Fortunately,
2 they are at the point in their history where they can do that.

3 Q Yes. What kind of
4 government do they have in Peru?

5 A It's a military
6 government at the moment. The most recent coup d'etats
7 there in August of 1975, I believe, replaced the government
8 that actually passed this Jungle Development Law, which
9 was I believe a sincere attempt to protect the native
10 people there. So the present government, the military
11 government in Peru, by their actions and policies and
12 information I have from church sources in Peru is not as
13 favourable in the interest of the poorest people.

14 Q Do they -- you say
15 Peru has a history of military governments or dictatorships,
16 or that --

17 A That is correct, they
18 have a history of military governments.

19 Q And Canada does
20 have a history of, what Mr. McCullum called, a "used to be
21 democracy" -- some kind of a democratic structure, Mr.
22 Dillon?

23 A Very fortunately.
24 This Inquiry is an example of the democratic opportunities
25 that exist in Canada. We are indeed fortunate.

26 Q Okay, we follow down

1 and you mentioned before in your point six that you are
2 not claiming that all the conditions that apply in Peru
3 are the same, but, we'll go back to the massive economic
4 development caused disintegration. We have already established
5 you don't know anything about economic development in the
6 Yukon, so we won't pursue that any more, but how -- by not
7 knowing anything about this economic development, how do you
8 relate it to the disintegration of the traditional way
9 of life in a comparison with Peru?

10 A Well, I was very
11 impressed yesterday by the testimony that Ms. Cruikshank,
12 I believe I'm pronouncing it correctly, gave this Inquiry,
13 where a person who does know about history of economic
14 development in the Yukon Territory is able to bring a
15 relevant testimony I believe.

16 Q Did you write your
17 brief since then?

18 A No, I did not, I
19 wrote my brief in full anticipation that it would be one
20 of several presentations which would be complementary.

21 Q Okay, page four,
22 "we wholeheartedly support their position". Now, this
23 morning I was trying to get an answer to self-determination.
24 Does this have anything to do with your wholehearted
25 support of the CYI position?

26 A Most definitely it

does.

Q Okay. Can you give me a definition of self-determination?

A I won't attempt a definition, I'll attempt a description.

Q Certainly. Fine.

A I think the key to any kind of development is that people are involved in the decision-making process, are able to look at all of the options, and not just have to face one option, and they are able to decide what is in their own interests, and also in the interests of their children.

Q Good, thank you.

In paragraph seven, your comparison in some ways being you say is -- you're comparing Peru, the Peruvian situation again to Yukon and it at least gives me the impression perhaps you can correct me if you think I'm wrong -- that the oil industry in Peru built up the expectations of all the people and then kind of dropped them from the top of a very high building?

A Without imputing intent to the oil industry that was the case.

Q Okay, now to discuss that word intent. You are not implying here that the applicant is doing the same thing are you?

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A No, I am not.

Q Okay.

Page six you mention some policy commitments made by the Peruvian government. Were these commitments made to the lenders of funds?

A These commitments were in fact negotiated with private banks. It's a unique situation.

Q In world banks?

A These are private banks operating on international capital markets.

Q Not in Peru? In countries other than Peru?

A Yes, no I could name some of the banks if you like.

Q No, it doesn't matter.

A They were all based in the United States of America.

Q Okay, that's fine.

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Now, wage policies reduced. Is that an actual - did they go out and say okay, you made five dollars an hour yesterday, you will now make three?

A They said that we want Peru to introduce an incomes policy.

Q Yes.

A The effect of that incomes policy was a fourteen per cent reduction in the real purchasing power of the wages earned by Peruvian workers.

Q Okay. Now on Page 7, you have discussed or you mention that you have compiled some statistics and perhaps just to clarify, you use a word here, 'chiefly derived' from Statistics Canada.

A That's correct. I used other sources for example, Morgan Guarantee Trust Company. Their financial bulletin. I used that as well.

Q Anything else?

A Financial Press, the quotations that appear in Point 16 on Page 8. It's from the Toronto Globe and Mail report on business.

Q Okay, but as far as statistical data goes, it's --

A Yes, the data is definitely - in fact I corrected the Morgan Guarantees estimates with Statistics Canada, more accurate figures.

Q Now, you followed through

a scenario on -- and I'd just like to - I'm going to try this with you. We've heard it mentioned that these funds that would have to be borrowed to build the pipeline would take away funds available to businesses or persons or governments in Southern Canada.

A Or the Yukon.

7 Q Yes, okay. How does the
8 taking away of these funds -- how is that a negative effect
in your opinion?

A Okay, you're referring
now to the portion of my testimony which I call the direct costs to Canadians. It's a negative effect in terms of what economists call the opportunity costs. The opportunities that are lost for other uses of those funds.

Q Okay, what would some of
these opportunities be? Do you have specific --

A Yes, I think specific
areas would be opportunities in the fields of housing, in the fields of loans to small business. I think one of the important underlying questions in this Inquiry is the whole question of scale and can small businesses perhaps make better use sometimes of capital

I'm not a purist, I don't say
only small development is good, but I do think that the emphasis in this country is so often on large development, the small businessmen is forgotten.

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Q Okay, so if I thought that you were implying before that if you take away monies that may accrue to persons or businesses in Southern Canada, you weren't implying that a project being built in the Yukon is taking away something from Southern Canada?

A No, I was implying that opportunities are lost because that capital is not available where the interest rates are higher for other uses. I did not imply a direct taking away.

Q Okay, you say opportunities are lost but are opportunities gained by people here, versus an opportunity being lost by someone in Southern Canada?

A Okay, in terms of -- getting back to the trickle-down theory, some opportunities are gained by Yukoners.

Q Yes.

A Small business in the Yukon for example, but compared to the cost in terms of environmental damage, in terms of native land claims, in terms of the opportunities lost, I'm certainly arguing that those gains are not worth the cost. I could elaborate on that.

Q No, that's fine. So in other words you are not saying that -- I had thought you were telling us that the opportunities gained in Yukon were

not as valuable as opportunities lost in Southern Canada,
but in fact you weren't saying that.

A I don't follow you, could
you repeat that please?

Q Okay, you were talking
about the capital being put into a project in Yukon and we've
both agreed that that could be beneficial somewhat here.

A Right, we agreed there
could be some --

Q Some benefits.

A -- trickle-down benefits.

Q Okay. Are you saying to
me that these trickle-down benefits are not as great as if
that same capital is used in Southern Canada?

A Well, that's substan-
tially correct, yes, and Mr. Olthuis referred to the
benefits for example of using that same capital for an
insulation program in terms of conserving energy. I would
further point out that, what Dr. Clarke referred to this
morning, the testimony of the Toronto Dominion Bank, Vice
President to the National Energy Board. He said very
clearly that a decision to build a pipeline would involve
a government policy using their influence to phase the
timing of other major projects, thereby avoiding an
undesirable bunching of demands, both in the physical and
financial resources of this country.

Dr. Eric Kierans has interpreted that statement for us as saying that the bankers would prefer to lend to a huge project and not have to bother with dozens of smaller ones.

Q Yes, that makes sense, at least as we know fiscal policy today, but --

MR. OLTHUIS: Would you permit me to comment on that?

MR. MORRISON: Certainly.

MR. OLTHUIS: I think the funds that are going into the pipeline project in the Yukon, first of all, the great majority of those funds will end up back in Southern Canada. The purchase of the equipment, the purchase of the pipe, the purchase of just about all the services will go back to Southern Canada. What is left in the Yukon, it seems to me, is the least advantageous contribution that that amount of capital could make to the Yukon, because it's a contribution to a very capital intensive project, that will produce very few jobs in a very short term basis. If you took that same amount of capital that was remaining in the Yukon and used it for the alternative development projects that we've been talking about, they would create many more jobs and be much more beneficial to the Yukon over the long run. So that if you're thinking of economical development for the Yukon, I would suggest that this is the worst possible project that anyone could develop in order to make use of what capital remains here in the most respon-

sible way.

Q Yes.

A And that the negative socio-economic impact, which I made the point earlier, will come to the Yukon because of the fact that the capital is taken away from uses in Southern Canada, which is going to create a very depressed economy in the South, is going to lead these people without work to the Yukon, looking for jobs, adding to the in-migration, adding to the negative socio-economic impact, so that when you look at the total project, I think that the very minor amount of money staying in the Yukon will more than be used by the in-migrants coming in who need social services and so on, for which they'll be contributing nothing in the amount of tax dollars. So even looking at it in that way, I think you've got a very negative economic impact in the Yukon.

Q Okay, let's follow a couple of those points with both you gentlemen for a minute. Perhaps, Mr. Olthuis, before we start, how much detail or how detailed a familiarity do you have of the Yukon's economy?

A Well, I know, for example, that the unemployment in the Yukon is twelve to fifteen percent, the evidence of Foothills is that it's very difficult to detail it. I do know that the unemployment, according to the Foothills figure, of the native population,

1 is probably over fifty percent.

2 Q Okay

3 A And I do know a number
4 of other details about the transfer payments coming into the
5 Yukon, et cetera, and on that basis, it leads me to say that
6 the native people, who need jobs the most in the Yukon,
7 according to Foothills figures, will not be the people who are
8 getting the skilled jobs, may not even be the people who are
9 getting the unskilled jobs and any jobs that are created
10 would be jobs that would be very short term and for which the
11 native people themselves say they would rather create those
12 jobs in their own ways through alternative uses of that
13 capital.

14 Q Okay. In other words,
15 you don't know very much about Yukon's economy?

16 A I'm saying I know a
17 considerable amount in terms of unemployment, in terms of
18 who is unemployed, in terms of what the applicant says it's
19 going to contribute via liquor revenues and -- but you may
20 ask me a series of questions about the economy of the Yukon
21 and we can see how much I know about it. (Laughter)

22 Q Well, you've already
23 told me how much you know and if you can capsulize it in
24 that, we'll take it from there.

25 What I'm getting at in the point
26 I wish to make is that you talk about, or you have both talked

1 about, the effect of the pipeline capital funding being
2 minimal in Yukon because most of it would all go back South?

3 A That's one point.

4 Q And on the other hand
5 you tell me that it can be better used in the South to begin
6 with.

7 A Okay. It can be better
8 used both in the South and the North for alternative uses.

9 Q Okay. Right. But you
10 have, Mr. Dillon has just told me that the money has a
11 better use in the South than it does in the North. You agreed
12 with me earlier, Mr. Dillon, that I said that if the oppor-
13 tunity for that money -- you say the opportunities are great-
14 er in the South than they are in the North.

MR. DILLON: I understood myself to be agreeing that the opportunities that would be lost in the South are greater than the trickle-down opportunities that would be created in the North by a pipeline. I did not say that there would also be other opportunities in the North. What I'm saying is that the other opportunities in the North could also be lost.

Q Okay, let's follow then. So you say that the opportunities in the South are greater and perhaps for a number of reasons for the money to be used, and we have said that the influx of that capital in the Yukon would trickle south, a majority of it would trickle south regardless, rather than trickling down through our economy.

Okay. Now --

MR. OLTHUIS: Could I make just a comment on that, just as a follow-up.

One of the benefits of the project put by Foothills Yukon in its final argument to the National Energy Board was, I'm quoting from that argument, Section 2(a)(iii):

"The construction of the Alaska Highway project by three Canadian companies will create in Canada three new billion-dollar asset corporations, each of which will be owned and operated by Canadians."

And those corporations--billion dollar corporations will be in the south. Namely, Westcoast, Alberta Gas Trunk Line and Foothills Yukon.

Now, if those billion dollars, those new billion-dollar corporations could be C.Y.I. billion-dollar corporations, so that the economic surplus of the project stayed in the Yukon Territories, we might then be able to talk about some economic advantage in the long term for the Yukon.

Q Okay. Nobody's talking about the long term at the present, but let's just keep following the point that I'm trying to make here. We have an economy based on, principally, mining, in other words, non-renewable resource development. Agreed?

MR. DILLON: I wouldn't think principally.

Q What would you think it is then?

MR. OLTHUIS: It's a very mixed economy at the moment.

Q It is? Could you give me a breakdown by G.N.P. of the various sectors of the economy?

A Not precisely by G.N.P. but I think that the kind of analysis that you're giving is the kind of analysis that in the first place does not adequately look at the native economy itself and the kinds of native economic situations which are being developed and which the native people wish to develop in their own unique way.

Q That's fine, we'll get to that a little bit later but there are other people here as well as native people, Mr. Olthuis.

A Yes, there are.

Q Now, you want to give me your assessment of what the economy is principally made up of then, since you don't agree with me that it's mining?

A Well, I, principally, you say principally, you'd have to define that in terms of what percent of the economy -- if principally you're saying the economy of the Yukon is based on non-renewable resources, in the long term that is a very weak basis for an economy, --

Q I'm not really interested in what your opinion of our economy is, what I'm looking for is what it's based on in actual fact and in actual fact our economy is based on non-renewable resource development at the present time, agreed?

A Well, we don't want to quibble about the word "principally" but I'll accept that for the moment, that it is a very principal basis for it but certainly not the only sector of the economy.

MR. DILLON: If I might comment on that, Mr. Morrison?

Q Yes.

A One of the things I do not know about the Yukon economy that I would like to know,

1 would be a survey of what precisely are both the renewable
2 and the non-renewable resources that exist in the Yukon
3 territory. I don't claim to know that, but I think if we're
4 thinking about how a moratorium period might be used, it'd
5 be a very exciting prospect, in my opinion, for all Yukoners
6 to be able to take some of the, I think, more creative think-
7 ing that's going on in the Third World and look at all of
8 their resources, renewable and non-renewable, look at their
9 needs and begin to try and match them together. It would be
10 very exciting to have that happen, that's why we need a
11 moratorium.

Q You make a good point,

Mr. Dillon, but let's try and finish this point that we're trying to get at. If in fact that we accept that non-renewable resources are the basic make-up of our economy, and we look at injecting certain benefits through the pipeline project, we also look at benefitting other areas in Canada through the pipeline project. Would you not agree with me that some benefit, and I say some, because none of us will come up with a percentage on exact figures, that the benefit that the pipeline project could leave in the Yukon, may prove to be of greater value, when you look at the economy in terms that, in three to five years, we may have virtually no economy left.

MR. OLTUIS: I would just make this comment excepting that the economy is today based on non-renewables, it's high time that the economy became much more diversified so that when the non-renewables are gone the economy doesn't completely collapse, so this is probably a very critical time to look at alternative, non-renewable ways of developing a more diversified Yukon economy and that any funds coming from whatever source ought to be used for the development of the renewable industries and of the more community-based intermediate technology labour-intensive projects, because if we find fifty percent of the native people chronically unemployed, and it's the resource and the economy is principally based on non-renewable resources, we

1 know that there's something very seriously wrong with that
2 economy, it would only exacerbated by continuing reliance on
3 the non-renewable sector, which we would be doing if we
4 would be accepting the Foothills project.

5 Q Well, I don't see how
6 we would be accepting the non-renewable resource by accepting
7 the Foothills project we're further relying on non-renewable
8 resources because we're not talking about our resources other
9 than -- the resources we're talking about in the Yukon are
10 renewable resources, which is labour, are we not? On the
11 Foothills project? You've said that all the capital funding
12 will go back to the South in terms of pipe and equipment and
13 so forth.

14 A We've also said,
15 Mr. Morrison, that the amount, the number of jobs created,
16 both in the short and long term basis, would be -- the
17 least beneficial use of whatever capital does stay in the
18 Yukon.

19 Q Okay. Now, we're
20 looking at the economy and nobody is going to argue with you,
21 Mr. Olthuis, that the way that it's made up is poor and we'd
22 like to change it. Okay? We won't get into that point.
23 The point where we follow to now is, what happens in Yukon,
24 taking away the sector of the non-renewable resource indus-
25 try, which will have depleted itself in four to five years,
26 and given no pipeline, how do we sustain ourselves until such

time as we can develop our renewable resources?

A Maybe Mr. Dillon has
a comment on that but I would comment perhaps after him.

MR. DILLON: Well, I certainly
would like to see the study that would indicate that the non-
renewable resources of the Yukon will be depleted in four to
five years.

Q Well, let me be more
specific then. Okay? Clinton Creek Mine closes next year,
okay?

A Right.

Q That's one of the four
producing mines. Whitehorse Copper has indicated three to
four years ore reserves, okay? United Keno Mines has also
indicated three to four years reserves, that's three out of
the four. Now, the only other one is Cyprus-Anvil, alright?
And that looks to have an economic life for the next, for the
foreseeable future, anyway. So that's specifically what I'm
talking about, Mr. Dillon, okay?

A That seems to me,
Mr. Morrison, then that you're saying that the opportunities
are, for redeployment of manpower, redeployment of some
service industry, redeployment of construction material, are
opening up right at this crucial time then, and so it seems
to be, to confirm it's an extremely exciting time in pros-
pects for the Yukon people. So I repeat that I would like to

1 see a survey of the available non-renewable and renewable
2 sources so that decisions could be made. I don't accept the
3 closing of a few mines as evidence that there are not other
4 non-renewable resources that are, that could be developed.

Q The question was, how do you foresee Yukon's economy sustaining itself during the time which you do your survey?

A Well, you look at Foothills' application. The number of permanent jobs created by this pipeline would be six hundred and if we look at the history of this type of situation, it's highly unlikely that many of those six hundred permanent jobs would be jobs that would not be taken or held by Yukoners or people with residence in Yukon now, because many of the jobs would be in the kinds of situation where highly skilled gas industry people are required. So I'm saying look, we've got X number of dollars, we look at the Foothills project, we say in a permanent basis, X number of dollars will create so many permanent jobs. Let's very carefully look at alternative uses of that capital in terms of the permanent job creating possibilities.

Then we're saying that smaller, more labour intensive types of industries that we're beginning to hear about such as the Teslin canoe industry which apparently is viable, that those are the opportunities for capital that ought to be looked at very seriously. The Yukon perhaps then ought to be going to the Government of Canada in saying, we can't tolerate a future with six hundred permanent jobs created by Foothills (Yukon) Pipe Line, here is an alternative proposal which in a regional

1 development basis, you could put money into certain amounts
2 of money into various sectors, some to CYI, some to the
3 different more white involved groups and let's develop a
4 viable economy based upon renewables and small industry.

5 Q Believe me, Mr. Olthuis
6 it's not that easy. The Government of Canada just doesn't
7 listen quite as attentively as we'd like them to.

8 A I'll take your word for
9 that Mr. Morrison.

10 Q Okay, let me finish this
11 with one last area then. Now, if we take the pipeline
12 gentlemen, and we say to ourselves, okay we will take that
13 pipeline as a means to an end, okay, and the end is the
14 development of a renewable resource industry or industries,
15 whatever you like, in Yukon right? Now, if we look at our
16 most -- how would you say -- apparent renewable resource is
17 hydro power, lots of water okay? Now, we can go out and
18 get a billion dollars from the Government of Canada and go
19 and build a hydro project, but somebody has to pay for the
20 billion dollars and somebody has to pay for the operations
21 and maintenance of this hydro project.

22 But you say, if you look at it
23 now, we have a pipeline which comes along, okay, which is
24 going to leave some benefit here and then in addition to
25 leaving that little bit of benefit here, it is going to
26 supply us with someone to pay for a hydro project which

develops a non-renewable resource industry, which benefits all Yukoners and all the money stays here. Now, does that create a different scenario gentlemen?

A Well, pipeline construction as a means towards the renewable resource end is just the worse possible means to that.

Q Why do you say that?

A For all the reasons we've been talking about.

Well, no money will be left virtually in the Yukon. There'd be few jobs created and so on and in the meantime, they will have lost valuable time that could have been devoted towards the development of the secondary and small manufacturing industries and so on, so I can't accept your hypothesis. It's just not the way to develop.

Q You mean if I can get an agreement out of Foothills Pipe Lines that they will purchase X kilo-watt hours of energy over a given number of years and take that contract to the bank and then say, okay, now I'd like to build a hydro project and one offsets the other on the cost, that that's not a benefit to Yukon?

MR. DILLON: Well, Mr. Morrison, your whole scenario is premised on -- I don't think a realistic supposition of how capital is distributed. I don't think that Foothills, that the benefits small

1 as they may be of a Foothills pipeline, could be earmarked
2 for capital for a hydro project. What's more likely to
3 happen is that those that wish to build a hydro project
4 will be competing with Foothills Pipe Lines for capital on
5 a world capital market.

6 Q Well, let me explain a
7 little bit about Yukon's economy and the local situation,
8 it may help you okay? Foothills Pipe Lines have agreed,
9 okay, that they would be prepared to put in electric motors
10 or generators in their pipeline stations to power their
11 pipeline by electricity if in fact, that electricity were
12 available.
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1 Q They have further ag-
2 reed to do so after the pipeline is built and in place and
3 operating. Okay? Does that perhaps make it a little more
4 plausible?

5 A Well, has Foothills
6 done this?

7 Q Have they agreed to
8 this?

9 A Yes.

10 Q Yes.

11 A That's not in evidence
12 that I've read that's been submitted either to National
13 Energy Board or this particular inquiry.

14 Q Well, okay, let me --
15 it is in the evidence but, you know, perhaps you just haven't
16 seen that section of it. Now, --

17 MR. DILLON: To answer your
18 question, Mr. Morrison, in terms of plausibility, no, that
19 doesn't make it any more plausible to me because the dev-
20 elopment of that hydro-electric facility would become another
21 resource project, having to compete on the international
22 capital markets for scarce capital.

23 Q We're talking about --

24 A With assured demand
25 from Foothills, you're establishing a case that they'd have
26 a customer for that hydro and I'll grant you that, but not
in terms of use of capital.

Q Are you telling me that the Power Corporation wouldn't be able to use a contract for use of power to negotiate a capital funding of a project?

A Well, if they want to negotiate capital funding with Foothills, I'm sure that Foothills would be only willing to do that on the basis of a good return to Foothills --

Q I'm not talking about Foothills, I'm not talking about anybody.

MR. OLTHUIS: Foothills, as I understand it, will need all the money it can possibly get plus a lot more if it's going to develop the Dempster lateral and that's one of the very basic faults, I think --

Q I don't -- I think we have a bit of confusion here, I didn't indicate that Foothills was going to provide the capital funding for this hydro project.

A Oh, it's the Government of Canada, I see.

Q Well, on a capital funds lending basis, the same as any bank.

A It would be a very unwise, we're suggesting use of funding from the Government of Canada, much wiser use of funding would be into more alternative smaller industry types of projects.

Q Mr. Olthuis, you're

1 indicating to me that the construction of a large hydro-
2 electric project in Yukon is an unwise move?

3 A Well, I know that in
4 Foothills' application to service the communities in the
5 Yukon with gas, that that's Foothills' very point, that they
6 ought to be served by gas and that the position of the Council
7 for Yukon Indians, that the communities do not need or want
8 gas for the reason that they could be served by hydro-
9 electric has been refuted by Foothills, saying, that's non-
10 sense, because hydro-electric could not ^{be} developed on this
11 scale in terms of the funding with the end cost price that
12 would be competitive in any way so they're saying, we've got
13 to do it by serving them with gas.

14 Q Well, I don't know what
15 Foothills has said but that is, you know, not at least my
16 opinion of things and we're going through a little scenario
17 here --

18 A But that's actually
19 what Foothills has said in terms of its application, that's
20 what I thought we were talking about.

21 Q Well, no no no -- we're
22 talking about how you, we foresee the benefits coming into
23 Yukon here. Now, you have -- was I right in assuming that
24 you have told me that a large hydro-electric project in the
25 Yukon is unrealistic?

26 A I think so because if it

1 would be developed in terms of the scale that would be re-
2 quired, it would have to be developed to export the energy
3 cells mainly.

4 Q Is there anything wrong
5 with that?

6 A Yes, there's a lot
7 wrong with it because it would mainly, again, be the invest-
8 ment of money in the Yukon Territories with very little of
9 the money staying here, particularly in terms of the native
10 community. The export of that energy, that's -- the whole
11 James Bay project is about that.

12 MR. MORRISON: I'm going to be
13 a while yet, Mr. Chairman.

14 MR. CHAIRMAN: Alright, Mr.
15 Morrison, I was about to speak out there, I thought I heard
16 you refer to your last question about ten minutes ago and --

17 MR. MORRISON: I did but it's
18 carried a little bit --

19 MR. CHAIRMAN: I think it's a
20 situation that we have a community hearing at seven-thirty
21 and an engagement before that and we're up against a long
22 weekend and to extricate us all from that, to everyone's
23 satisfaction, I'm going to call on our able counsel.

24 MR. ROLAND: Yes, I take it,
25 Mr. Morrison, that you have no further questions for Mr. Dill-
26 on, and as I understand, two members of the panel can be

1 called back some time in the next two weeks to continue the
2 cross-examination, that is, Mr. McCullum and Mr. Olthuis.

3 MR. OLPHUIS: I'm sorry, it's
4 Father Teixeira and Mr. McCullum.

5 MR. ROLAND: You're not available?

6 Well, it's been indicated by
7 counsel that there -- counsel is interested in cross-examining
8 two of the four panellists and perhaps we'll simply have to
9 huddle and work that out as best we can in terms of arrangements
10 for cross-examination at a later date.

1 But as I understand at least as
2 far as Mr. Dillon is concerned, no one has any further
3 questions for him and he could be excused, save for the
4 Board if the Board has any questions.

5 MR. CHAIRMAN: I don't think
6 so Mr. Dillon, although I'd be disappointed if we adjourn
7 without my learning what GATT-Fly stands for.

8 MR. DILLON: It's a pun on
9 GATT-Fly of course and on the general agreement in tariffs
10 and trade. It is a body of international trade law.

11 MR. CHAIRMAN: And fly stands
12 for fly?

13 A Right. We've been GATT-
14 flies to the Federal Government concerning trade matters.

15 Q Okay, thank you.

16 MR. OLTHUIS: Mr. Commissioner,
17 I could here through Monday, but after that, --

18 MR. ROLAND: Well, then we
19 may be able to arrange something on Monday. I was going
20 to suggest sir, that we adjourn the formal hearings until
21 two o'clock on Monday, but that was without contemplating
22 continuation of cross-examination of Mr. Olthuis on Monday.
23 Perhaps we could for the moment, simply adjourn until
24 ten o'clock on Monday morning and I would ask Counsel to
25 stay here after the adjournment this evening and we'll
26 discuss that.

1 If it's decided that some other
2 arrangement can be made that we will inform everybody and
3 continue the hearings at two o'clock on Monday, but pending
4 that, I would then suggest sir, that the adjournment be only
5 until ten o'clock on Monday morning.

6 MR. CHAIRMAN: All right if
7 I might just suggest for a moment Mr. Roland, I don't know
8 what flexibility you have with the people who are tentatively
9 scheduled for Monday afternoon, but since there is an event
10 of some interest happening at one o'clock on Monday, it
11 may be possible to switch some of the other people to
12 Monday morning and leave the afternoon --

13 MR. ROLAND: If Counsel could
14 stay around, we'll try and work that out.

15 A couple of other things --

16 MR. HUDSON: I understand then,
17 Mr. Chairman, that Mr. McCullum will be back at some
18 future time.

19 MR. McCULLUM: I can be here
20 on Monday if you want to.

21 MR. ROLAND: Okay, well then,
22 perhaps we can continue with cross-examination of this
23 Panel first thing Monday morning at ten o'clock.

24 (DILLON, TEIXEIRA ASIDE)

25 MR. ROLAND: There are a
26 couple of other things. The hearings will continue all next

1 week in the Klondike Inn. They will not be located here.

2 Finally, there will be a community hearing tonight in this
3 hall at 7:30.

4 MR. CHAIRMAN: Good, thank you
5 Mr. Roland, so we'll adjourn this hearing until 10:00 o'clock
6 in the Klondike Inn, 10:00 o'clock Monday.

7 (PROCEEDINGS ADJOURNED).
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343.093 Alaska Highway
A47F58 Pipeline Inquiry
Vol. 35

AUTHOR

Lysyk Inquiry: Vol. 35

DATE

June 30, 1977 Whitehorse, Y.T.

DATE DUE

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v. 36

GOVT PUBLS

ALASKA HIGHWAY PIPELINE INQUIRY

IN THE MATTER OF AN APPLICATION BY FOOTHILLS PIPE
LINES (YUKON) LTD. TO THE MINISTER OF INDIAN AFFAIRS
AND NORTHERN DEVELOPMENT FOR A GRANT OF THOSE
INTERESTS IN THOSE AREAS OF TERRITORIAL LANDS IN THE
YUKON TERRITORY AS MAY BE NECESSARY FOR THE CONSTRUC-
TION AND OPERATION OF THE SAID NATURAL GAS PIPELINE
AND THE WORKS AND FACILITIES CONNECTED THEREWITH AND
INCIDENTAL THERETO,

AND

IN THE MATTER OF A BOARD OF INQUIRY ON THE SOCIO-
ECONOMIC ASPECTS OF AN ALASKA HIGHWAY GAS PIPELINE.

BEFORE THE BOARD:

K.M. LYSYK, Esq., Q.C., CHAIRMAN

WILLARD PHELPS, Esq., MEMBER

MRS. EDITH BOHMER, MEMBER

PROCEEDINGS

VOLUME 36

WHITEHORSE, Y.T.

JUNE 30th, 1977

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Vol. 36

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(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

MR. CHAIRMAN: Ladies and gentlemen, I wonder if we could recommence the proceedings in this Whitehorse Community Hearing into the Alaska Highway Pipeline Proposal. I think by now that I can spare you the usual opening comments. Some of you at least will have been at our earlier hearings, either here in the Legion Hall this week or in Porter Creek at the beginning of the week, or here in the Legion Hall when we opened the Whitehorse community hearing in May, so I won't go through all that. For anyone who was not at any of those hearings, perhaps I should just identify the members of the Board.

My name is Ken Lysyk, my colleagues on the Board are Edie Bohmer and Willard Phelps. Our normal procedure is to ask you, if you have either a question to ask or a statement to make, to come forward, please, to one of the microphones, either the one on the table or the one in the aisle, that's so we can make sure that our record is complete of what is said to us in the course of these hearings. So I will suggest, if I may, as I say, that you come to one of the microphones. If you have a question to ask, if it relates to details of the proposed pipeline construction details, or if it goes to the details of the company policy, I'll call on a representative of the Foothills Pipeline Company to speak to it. Mr. Burrell normally responds to those questions, so he's the person I'd

Ms. Williams

1 be asking to attempt to respond to your queries.

2 So, if I may, then, without
3 further ado, could I invite someone to come forward and ex-
4 press an opinion or ask a question? Yes? I'll ask you then
5 and everyone else to begin by identifying yourself for the
6 record.

7 MS. WILLIAMS: I'm Kathy Williams.
8 I'm twenty-five years old, I was born in Whitehorse, in the
9 Yukon. Of the twenty-five years that I've spent here, or of
10 my twenty-five years, I've spent eleven years in the North
11 and the rest of the time I spent down South, in Ottawa and
12 Montreal, got to know the South quite a bit, go to know the
13 people, got to know the pace of life that the people live in
14 the big cities. Right now I'm working for Underhill Engineer-
15 ing, I've been working there for the last three years. I'm
16 also involved in setting up a business and I'm mostly point-
17 ing out that I am involved in starting up a business be-
18 cause so many people, so many different people have expressed
19 their feelings and our feelings, the people that I'm involved
20 with in this business, feel that we've all spent a lot of
21 time in the South and we're here because we like the pace, we
22 like the peace of mind, we feel that we're willing to sacri-
23 fice a few a dollars, which seems to be what the pipeline
24 represents to a lot of people, dollars, the business people,
25 anyway, the dollars, and we're willing to sacrifice those
26 dollars to keep the Yukon the way it is.

1 And I have a letter that has
2 been compiled by a group of friends, of which I have been
3 asked to read, and also that I'd like to have entered into
4 the records.

MR. CHAIRMAN: Will you do that,
Ms. Williams, and then you'll tell us at the end who the
other persons are, will you?

MS. WILLIAMS: It's quite a list.

MR. CHAIRMAN: You may just
prefer to file it, I'll leave that up to you.

MS. WILLIAMS: Okay, this is an
Open Letter to the American People but it could just as
well apply to Southern Canada and the Canadian Government.
Underlying the satirical tone, I feel it is a very serious
message and I am reading this for the Inquiry's benefit in
the hopes that you will adopt a similar recommendation to
the Canadian Government when the time comes.

"My dear fellow Americans:

Received request to build a natural gas pipeline
across the Yukon. We sincerely would like to
help you with your energy problems but we have
our own problems to solve first. You see, we
have to decide first who actually owns the
land you will be crossing so you can obtain
permission from the appropriate owners and will

know to whom to make a cheque payable. It seems that the native people here would like to resolve very long overdue land claims settlement, which cannot be rushed through since it may well determine the destiny of their culture. Besides this, there seems to be a lot of people living here who purposely moved to this country, not because of high-paying jobs and large-scale development, but because of the remoteness, sparse population, clean air, and the incredibly beautiful country. Therefore, they are very content with the present pace of development here, their life styles and their jobs and are not willing to run the risk of any environmental damage to socio-economical deterioration for short-term benefits.

I hate to admit, though, that we do have a third, well-defined local group of people who don't appear as content with the present living conditions. It is made up of people with business, mining and political interests, all of who are of the opinion that the development in the Yukon needs a big boost, some want to improve their personal business, some want to develop our resources, others just want to see the Yukon boom. But underlying all their overt motives is a basic desire to cash in on your pipeline. All

kinds of money-making schemes are surfacing from this buy-now-pay-later mentality and once business is booming they'll encourage any form of development to maintain the level of affluence. They'll see there is no bust, they'll keep it booming if they have to manufacture pornographic film or sell authentic Yukon moose nuggets to the tourists. It seems clear to us that if we allow this kind of motivation and pressure groups to dictate our future, we will eventually be in the same mess you find yourself in now. We think you have a nice place to visit but personally couldn't live like that which I guess is why we're up here.

It's not that we're Communists or backwards, it's just that we're into capitalism on a smaller scale, mainly to provide goods and services for the people who want to live here and not to promote Yukonism throughout the world.

So in conclusion, we appreciate your interest in providing jobs for our unemployed and the opportunity to increase our population and our prosperity but we feel at this time that the preservation of the native

1 culture, the preservation of our wilderness,
2 and the preservation of our present unique
Northern life style and national development
has priority over economical and political
expediency. We are asking our Canadian Govern-
ment to look into our plea, to give careful
consideration to the people of the Yukon, what
we represent to her future, to please allow us
to retain something unique in this chaotic
world, a land free to explore untouched by
saturated Canadian development and the begin-
nings of the big hand of our American neighbours.

Sincerely, Yukon.

15 MR. CHAIRMAN: Thanks, Ms.
16 Williams, for coming forward to make that submission and I
17 understand you're going to leave that to be entered in the
18 record? Miss Hutchinson will take that from you, if she
19 can. Alright, thank you once again.

20 (DOCUMENT "OPEN LETTER TO AMERICAN PEOPLE" MARKED
21 AS EXHIBIT 88)

22 MR. CHAIRMAN: Now, may I invite
23 someone else, please, to come forward?

24 MS. PORTER: MR. Lysyk, Mr.
25 Phelps, Miss Bohmer, my name is Jill Porter. I was
26 thoroughly pleased to attend the community hearings last

night and to listen to the statements, the ones that come to mind right now are those presented by John Lammers, Peter Heebink, and also Mr. Peter Dawe, which expressed really great sensitivity and very careful consideration of the rather precarious situation that we as Yukoners find ourselves in.

From attending these hearings, we're all daily becoming more and more aware that the proposed pipeline construction is not merely a cut and dried case of --

MR. CHAIRMAN: I'm sorry to interrupt, Ms. Porter -- could you just pull the microphone in a little bit closer --

MS. PORTER: I'm sorry. I'll probably be screaming in a minute anyway. It's not merely a cut and dried case of immediate wealth and prosperity for the Yukon. Daily more and more aspects of the social, economic and environmental effects of such proposed development are being brought forward for our consideration, and I must say first that I suggest if we endorse the pipeline construction in the territory on economic grounds, as has been suggested by several speakers, without first seeing the settlement and implementation of the settlement of Indian land claims that there is something very very drastically and grossly wrong with our sense of values and priorities. Also, our sense of justice and freedom.

I'm speaking to this hearing for myself, I'm speaking as a resident of the Yukon, and as the

co-ordinator of the Victoria Faulkner Women's Centre.
As a former employee of the Department of Human Resources
in British Columbia, where I was a child care counsellor,
child and family counsellor, as a member of the Yukon
Child Care Association, and also as a member of the
Yukon Status of Women Council.

I question the assumption that
in the event of pipeline construction the people of the
Yukon will profit financially. This question itself has
been dealt with in great depth by previous speakers.
I'll raise another one. They're working on the premise
that the business community will prosper. I would like to
know what will be the future of the other working people
of the Yukon. The office workers, for example, whose
wages would not be affected by the proposed project but
whose expenses would doubtless increase with increased
prosperity; day-care workers who can never be justly repaid
for their tremendous skill, training and effort, who at
this time are still receiving minimum wage salaries because
the Federal Government still refuses to recognize day care
centres as absolutely necessary social services; these
workers will see no increase in their salaries as a result
of pipeline construction. I should mention also at this
time that most of the people employed in these capacities
are women, some are single, supporting themselves, some are
single parents supporting, or trying to support several children

1 My question posed to the panel,
2 the observers and our business community is: how will
3 these workers be affected by the alleged new prosperity of
4 the Yukon, and I'm going to quote now from a brief that
5 was prepared by a group of woman in the Northwest Terri-
6 tories that was presented to Justice Berger in the
7 Mackenzie Valley Pipeline Inquiry.

A copy of this brief was given to Mr. John Ellwood at a meeting held at the Victoria Faulknew Women's Centre in the fall with me. I don't know what happened to the brief. We haven't had any response, but this is the quote,

The women employed on a major development project may benefit from it, but the women left behind in the communities who either cannot work on it or do not want to, will suffer. They cannot compete with the highly paid men in paying inflated prices for food and clothing for their children and themselves. Most of the development workers would not even notice the inflation, if there food was supplied as a condition of their employment. Their clothing is either bought by them in the south or sent to them from the south.

But what happens to the women living in the northern communities if she does not have access to the high wages which have caused the inflated prices of her town? She cannot afford to fly south every two or three weeks to buy the necessities of life at competitive prices. She must pay the price set by the store and in smaller places, there may be only one in her

community. Women, whether working outside the home or inside it, have always been at the bottom of the economic scale. Even if her husband is working on a pipeline or other major development, the woman does not necessarily benefit from the money he earns."

Thank you.

MR. CHAIRMAN: Thank you very much Ms. Porter for coming forward. Okay, can I invite someone else to step up and express an opinion or ask a question? Yes?

MS. WEBBER: My name is Adeline Webber. Members of the Commission, ladies and gentlemen. In addressing this hearing, I would like to present the concerns of all Indian women in my capacity as President of the Yukon Indian Womens' Association and also, express my personal concerns as a parent.

We all know that to a degree, development in the North is inevitable, however, time and preparation are necessary to combat the detrimental effects ensuing rapid development and must be provided for. Past experiences of rapid uncontrolled development cannot be ignored. Though few witnesses of the initial development of the North may exist today, the effects are still being felt.

The Indian people welcomed the

1 white man in peace to share the land, only to find that
2 they were suddenly stripped of their land by foreign laws
3 and regulations being enforced. Our once free land became
4 entangled with restrictions. The wealth and bounty of the
5 North was indiscriminantly reaped by the foreigners,
6 leaving the Indian people to contend with disease,
7 alcoholism, family break-up, violence and despair, a pattern
8 which was once again repeated during the construction of
9 the Alaska Highway.

10 Misguided efforts were made
11 to educate native people to function in today's society
12 by removing the children from their parental homes and
13 placing them into institutionalized settings which nearly
14 destroyed the culture of the Indian people and family
15 unity. Many broken homes were not necessarily the direct
16 result of alcoholism. Children did not understand why they
17 were forced to leave their homes and felt they were un-
18 wanted.

19 In an effort to avoid losing
20 the respect of their children, some parents moved to the
21 central communities but could not compete for skilled jobs
22 and ended up losing their dignity by having to resort to
23 government for support. This strict religious environment
24 provided by the residential schools, caused many children
25 to wait only for the day when they were legally old
26 enough to quit and return home. When they did, found that

they were not equipped to support themselves in either society. They could not communicate with their own people, had no understanding of past values or customs, did not possess the skills required to hunt and fish and lacking in sufficient education and training to obtain work.

Many more became dependent upon government instead of themselves for their day to day existence. In 1960, the children were finally allowed to remain at home and attend public school and even women who had always had the responsibility for directing the course of their children's lives, now had the momentous task of trying to pick up the fragments of their families' lives.

Coping with change and development was difficult enough, but the rate at which they were expected to do so, was tremendous. The complications of alcoholism, illegitimate young and the physical and mental distress contributing to family disunity, proved to be beyond human accomplishment.

Little pride for themselves as a people remained and loss of self-esteem caused many more to turn to alcohol and family life deteriorated even more. Too often, the past has illustrated that little if any forethought or consideration, has been given to the effects of major development upon Indian people in the Yukon.

Not only the Indian people, but

all people in the territory are ill-equipped to contend with any massive development at this time. Certainly, business may boom, may temporarily boom, but we are already having difficulty with the high cost of living. Additional inflationary prices caused by increased demand of a sudden influx of transients, could prove to be unbearable for those possessing earning power. What of those who do not?

Present health and social services are already proving to be inadequate in many communities throughout the territory. Are we to expect these same understaffed, low budgetted services to absorb an increased demand? After feeling the negative impact of former development in the North, how can we honestly feel comfortable about the safety and general well being of our children in the society lacking in services essential to maintaining a healthy well-balanced environment?

Certainly the need for a means of transporting energy supplies is recognized, but does that justify doing so at any cost? Many people misunderstanding the true intent of a land claims settlement, see it only as a private individual gain for a select few who just happened to be born the right colour at the right time in history, while they themselves, have to struggle for their own personal gain and naturally resent it. But they don't realize that what we are striving for is not for individual gain, but the means by which our culture can be

retrieved and strengthened to establish our people as a group in a society and guarantee a future for generations of Yukon Indian people yet to be born.

The people of the North must be able to prepare themselves before large scale development is permitted to commence and the time allotted for this purpose must be given far more consideration than has been given to the time frame of this Inquiry. This Inquiry has had to hear and consider evidence on the feasibility of this proposed route.

In closing, I would like to state that I sincerely hope the suffering of Indian people in the past will not have to be re-enacted before the concern of the people are heeded and the necessary precautionary measures are taken to allow the people of the North to withstand the destructive impacts of large scale development.

At this time, I would like to introduce Ann Kidd, a member of the Board of Directors with the National Committee on Indian Rights for Indian Women and she will be representing the President, Jenny Markettes.

MR. CHAIRMAN: Certainly, thank you very much indeed for that submission, Ms. Webber.

MS. KIDD: Indian Rights for Indian Women is a national organization of native women who are fighting to end discriminatory practices and

injustices of the Indian Act as it presently applies to native women.

We make this presentation at the request of the Yukon Indian Womens' Association and we welcome this opportunity to bring our concerns to your attention. First, we want to talk about the land. The land is our Mother Earth. Native people have a special regard and a special relationship with the land. This land is our life and if we lose the land, we lose our life.

This feeling is part of our culture and the white man can never really understand how we regard the land. Before the white man came, the land was used by all. Individual or private ownership of land was unknown. It was the white man who introduced the idea of private ownership. At one time, all this land in the Yukon was free to be used by all native people. Now, most of the land belongs to the white man or his government.

If we are to survive as Indian people, then we need our land. Our fear is that the more developments that are allowed, the more pipelines that are built. The more cities and towns that are established and enlarged, the less prime land there will be for Indian people and the harder it will become to settle our Canadian Indian peoples' treaties and aboriginal claims.

In the past, the government has repeatedly relocated native people and taken our land without any regard for the consequences. Native people have been forced into accepting a white man's concept of ownership as this is the only means by which we can ensure that our children and grandchildren will be able to live on the land in the same way that we now do.

Past experience has shown us that the government is reluctant and slow to settle Indian land claims. We fear that once the pipeline is built, another hundred years will go by without any settlement. More than thirty years ago, the Alaska Highway was built. The highway disrupted our economic and cultural patterns, bringing with it, not only more white men, but also rapid increase in social problems for the native people.

Now, it is proposed that a pipeline be built. We fear that if this pipeline is allowed to be built, there will be economic disruption, social destruction, land disturbance and an influx of whites which will all contribute to further hardship and disaster for native people.

The government should be protecting the interests and rights of native people, but history has shown that we have been repeatedly betrayed by a callous and indifferent government whose interests are their own.

Not Indian people. We have no reason to believe that anything different will happen now unless the government is pressured into settling the land claims first. We want no pipeline until our land claims have been settled. We also know that the pipeline will bring economic problems. Some people may argue that the pipeline is needed for the economic benefit of all Canadians. We would doubt that this is true.

We do not believe that any pipeline will bring any long term economic benefits for Yukon Indians. It is obvious that any gas carried in the pipeline will be for the benefit of the United States, not Canada.

Although the Yukon may receive some short term economic benefits, we fear that native people will receive very few of these benefits and a great deal of the negative consequences. We see no reason why Canadians, including natives, for we are the first Canadians, although the government acts as though we are not, should suffer at the expense of benefiting the Americans.

We can find many examples of how developments in your native communities have not resulted in job opportunities for native people. It is said that there will be twenty-three hundred workers employed in building the pipeline, sixty per cent of which

1 will be reserved for Yukoners. How many of these will be
2 native people? What will our people do when the jobs are
3 finished? Will they be cast aside and put on welfare?
4 We are told that only a hundred and ninety permanent jobs
5 will be needed to operate the pipeline and we suspect that
6 most of these will be for specially trained people brought
7 in from the south.

8 Those who say that natives will
9 receive special training for pipeline constructions are
10 fooling themselves. We know that many companies actively
11 discriminate against native people, refusing to hire them,
12 let alone train them. Even if training is provided, will
13 these new skills required to build a pipeline, be useful
14 once the project is completed?

15 Steps must be taken to make
16 sure that the skills developed can be put to use for the
17 betterment of our people in the future. The création of
18 jobs will not be regarded as a good thing by all people.
19 There are many of us who are satisfied with our traditional
20 economic patterns. We want to continue to hunt, to trap
21 and to live in harmony with our land. A lot of people
22 have already told the Berger Inquiry about the many ways
23 in which native people get economic and social benefits
24 directly from the land.

25 The tremendous activity of
26 men and machines that is needed to build a pipeline is

sure to disrupt and affect our way of life. We fear for this loss, that traditional life patterns and culture are important for Indian people and they should be important to the white man as well. If these are destroyed, then all Canadians will suffer.

We think that the biggest economic effect of this pipeline will be to make the prices of the basic necessities of life even higher than they already are. The social and economic problems of our people can only worsen as prices go up. What happens after the pipeline is built, when the temporary jobs are gone? The white men will have gone south in search of new developments. The storekeepers and businessmen will have made their fortunes and can afford to get out or retire, but the Indians are left to live in the changed conditions.

We have to be concerned about what will happen afterwards. This is our land and we will stay here. The aspect of greatest concern to native women is the tremendous growth of social problems which will result from the proposed development. The problems, the concerns, the fears and the heartbreaks experienced by too many of our people as a result of the construction of the Alaska Highway are still a vivid memory.

These experiences have shown us that we must try to prevent a similar situation from

occurring again. When the highway was built, a few native people did have jobs, however, most of the jobs went to white people brought in from outside. These people had no respect for our culture and our tradition. They destroyed our land, intimidated our people and abused our women. Frustration and unhappiness were the rewards experienced by many native people. For some, traditional economic patterns were disrupted and even destroyed. For others, problems arose with respect to alcoholism and family breakdown. Transient workers brought heartbreak for our women and left fatherless children in the North, the destruction of traditions meant a loss of pride and personal dignity from which we have only recently recovered.

Women are the ones who maintain culture, who pass on the traditional ways to the children. We are the ones who feed, clothe, discipline and educate the children. With our men out working, it is the women who create the security upon which the family is centered. Already, many Yukon communities are worried about the problems of family breakdowns.

There is a higher rate of alcoholism, suicides, and violent deaths among native peoples than amongst white people. There are already signs that some of our traditional values are being lost. The troubles that started when the white man came and only worsened after the highway, are going to increase if the

1 pipeline is built. We do not speak out against an
2 imagined problem, but we speak from the heart for we live
3 with the pain and suffering of social breakdown. As
4 native women, we are worried about the effect of construc-
5 tion on our young people, the lure of bright lights and
6 easy money will prove a great temptation to the young and
7 inexperienced.

8 The increased white population
9 can only bring new problems to an already troubled socie
10 Violence and vice can only increase our people and our
11 people will be caught up in the turbulence of the time .
12 Inter-marriage with transients will result in loss of
13 Indian status for our women. Future generations will be
14 deprived of these Indian rights. These women and their
15 children will suffer enormous social and economic hard-
16 ships.

17 An increased population wil
18 also put greater demands upon the resources and facilities
19 of the communities. There will be an overcrowding of
20 schools and hospitals. Recreation programs are already in-
21 adequate. Temporary workers will not be interested in
22 the improvement and expansion of community services. Many
23 of the injustices to all native people stem from their
24 ignorance of the ways of the white culture. Now, we
25 are learning to understand the white man's culture and
26 his laws so that we can defend our traditions.

Native people only began to organize a few years ago. Political groups are maturing and are fighting for the rights of their people. A sudden increase in the white population can only strengthen their influence in the Yukon to the detriment of the minority native population.

Native organizations need more time to get established and to negotiate land claims with the government.

To sum up Mr. Chairman, we are opposed to any pipeline development until land claims are settled and other native concerns are dealt with. It is the native women who will suffer and have the most to lose. We want a chance to study carefully, just what consequences are most likely and how best to avoid them. Especially we are concerned about the loss of rights of native women when they marry an unregistered Indian and the possible consequence of this to their children.

If the government does ignore the native peoples' objections and gives in to the pressures of the oil and gas companies in the business community and allows the construction of the pipeline, then the government has to take the necessary steps to ensure that native people will benefit. This means training and jobs, Mr. Chairman. It means that social and culture disintegration must be prevented.

Ms. A. Kidd
Mr. R. Collins

1 Most important of all, it
2 means that Indian treaty and land claims must be settled
3 and implemented before the pipeline is started. Thank you
4 for this opportunity to express our concerns.

5 MR. CHAIRMAN: Thank
6 much Ms. Kidd. Thank you once again for that very
7 comprehensive submission. Yes sir?

8 MR. COLLINS: Mr. Chairman,
9 my name is Robert Collins and I'm speaking on behalf of
10 myself and my wife, Sumire Sugimoto.

11 I've been a Yukon resident
12 since 1970 and I consider the Yukon my home. I came here
13 from Southern Canada, having no idea of what I'd find, but
14 more or less trying to leave a life of material, where people sell their lives for money. I
15 found many people here willing to do the same, but also
16 I found that here it was possible to escape that.

17 You've mentioned that these
18 hearings are informal and that we should speak as if we
19 were speaking across a coffee table in our living rooms.

20 MR. CHAIRMAN: They are and
21 I hope you will.

22 MR. COLLINS: So I'll try
23 to do that and it's difficult to do this with cameras
24 and lights and all these people behind. It's more
25 difficult for other people than it is even for me, but
26

anyway, in order that you can better understand what I want to tell you, I'd first like to tell you a little bit about my living-room.

MR. CHAIRMAN: I'm sorry to interrupt, but perhaps we can do what we did last night and after the break for just a little period, have the lights turned off, because I realize they are a distraction for some people. Please go ahead Mr. Collins.

MR. COLLINS: Okay. My wife and I are fortunate enough to live on a small lake just outside Whitehorse in a log cabin that we built ourselves. We're near the hydro line but we've made the choice not to have power. Instead, we consume about thirty dollars worth of kerosene a year for lights and we also spend about fifty dollars a year for propane for lighting and some cooking. Most of our cooking we do on a wood range. We heat with wood, we cut it ourselves. Our plumbing is a yoke with two buckets and a door that leads outside. Garbage is either paper that is burned in the stove, for parings which are composted or what little is left, is compacted and we take it to the dump every three or four months.

Our reasons aren't romantic for this, nor are they noble. It's just to us a more practical way to live, to consume a readily available commodity, mainly our own labour, in place of the more

expensive and scarcer energy resources and to lessen our dependance on the wage economy. To some this all seems retrogressive, but to us, it's freedom.

Many Yukoners live more or less this way and many more would like to. The lack of modern technology in the home is more than compensated by the sound of owls and loons at night or of ice forming in the fall or breaking up in the spring, of squirrels running across the window in the morning. The lake we live on is small. Some would call it a slough, but it teems with life. There is blackbirds and terns and loons all nesting right now. The water is speckled with tiny invertebrates and each one is performing its function in the bar(?) system.

So of what value is all this? Is it priceless or can we place a monetary value on it all? Of what value is a valley that is flooded for a hydro development. Of what value is a species or a lifestyle? Even if we could arrive at a figure and even if we could justify speaking for the rest of the biased here, and even if we could justify speaking for the future Canadians who will live here when we're all dead, how could Foothills, with its limited resources, guarantee to compensate us for the damages? Who is going to pay us if Foothills has no more money?

Even if we could equate land

1 with money so that insurance could be taken out against
2 any possible damage, the damage is impossible to predict
3 and later on, it's going to be impossible to assess, because
4 we don't know what we have right now. More research is
5 required to safely build a pipeline. The studies are only
6 beginning to find where the greyling spawning grounds are.
7 There is going to be environmental effects we haven't even
8 thought of yet.

9 Let's consider the fact that
10 Foothills plans to put an electrical charge on the line in
11 order to prevent corrosion. This is going to set up
12 electrical fields in the soil and in the water at the
13 stream crossings. What the effects will be on the fish or
14 the invertebrates that they feed on or the micro-organisms
15 that they feed on, is really hard to predict. Some are
16 going to argue that their fields are going to be so slight
17 that there will be no effect, but we don't even know how
18 birds migrate across foggy seas or how salmon swim for
19 thousands of miles across the ocean to make it back to the
20 right river in time to go up with the others.

21 There is so little that we
22 know and so much that we don't and one more point about
23 compensation. The onus is always on the damaging to prove
24 the damages. How does a trapper fight a multi-million
25 dollar corporation in court? Who needs this pipeline any-
26 way? The Americans think they do. I won't support a pipe-

1 line to carry American gas to American consumers. What
2 are their alternatives to an Alaska Highway pipeline? The
3 Mackenzie Valley? God forbid. The El Paso route to export
4 the gas to develop energy intensive industries near the
5 gas fields, for two hundred million Americans to put on a
6 sweater, to walk to the corner store for that package of
7 cigarettes, to consume less of everything?

8 Do you realize that when you
9 drink a tin of pop, that the energy required to produce
10 the container alone would keep a sixty watt bulb burning
11 for over ten hours. The gas took millions of years to form.
12 It's lain in the ground for hundreds of millions, it's been
13 known about for ten and it's enough to supply present day
14 Americans for one year.

15 They can develop alternate
16 energy sources, they can encourage conservation of energy
17 through tax credit, grants. They can discourage waste
18 through penalties, higher prices. Some people think we need
19 a pipeline for the jobs it will provide. We do need some
20 jobs here, but twenty-three hundred? What's the value to
21 the Yukon of creating jobs for people that don't live here?
22 The Americans think they need the gas to power their
23 factories that provide jobs. A job itself is not necess-
24 arily of value however. The value of a job depends upon
25 the value of the product that the job can produce, but the
26 same people who argue will all be out of work if we don't

1 have a pipeline, yet are the ones who poo-poo a conserver
2 society on the grounds that it's too expensive because of
3 the manpower involved.

4 Must we consume for the sake
5 of consuming? I think the passive pushbutton bigger is
6 better lifestyle, so glorified for so long, has problems
7 of its own. The pipeline construction is going to strain
8 existing transportation facilities. In Alaska, the public
9 was asked to keep off certain public roads because of trucks
10 hauling, not just to slow down or to drive with caution,
11 but to keep off. Upgrading the roads will be expensive,
12 leaving them as they are will be dangerous.

13 There will be increased
14 crime. Who's going to compensate the victims? What about
15 the food prices? Who will compensate the owners of the
16 small businesses that will die? Property taxes will go up
17 Insurance premiums. How will people on fixed incomes cope
18 with it all and what about our old people and what about
19 our young people? Juvenile delinquents is going to in-
20 crease with often, both parents working for long hours.
21 Many children in Alaska found relatively high paying jobs,
22 yet they hadn't the maturity of a supervision to properly
23 handle such a large disposable income.

24 With so many men here with
25 wives back home, VD and illegitimate children are going
26 to increase. Who's going to look after these children?

1 Who is going to look after the families of the new
2 alcoholic? Foothills has promised to compensate us for
3 the damage that they inflict. Well, what about the damage
4 that is done by the twenty-three hundred workers and the
5 rest of the job seekers? Will they compensate us for the
6 extra pressure on the game population?

7 The Indian people here aren't
8 yet ready for a pipeline. The land claim has the potential
9 to ameliorate their physical, political and spiritual
10 conditions, but a pipeline now would make the whole land
11 claim a farce. The capable, educated young people would
12 be lured away by the high wages, alcoholism, broken
13 families and other social problems will increase. The
14 white bureaucracy will increase and they will still become
15 more of a minority.

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1 A democracy tries to find justice
2 for all and must consider the rights of a minority. The
3 people of a region must be considered, as well as lumping
4 all Canadians together into an average. If we were all
5 average Canadians, right now we'd be each sitting around
6 watching one-third of a TV set.

7 With a pipeline we see an
8 avalanche of major developments, both out of economic
9 viability and worse, out of economic necessity, for when
10 the pipeline construction is complete, we'll be looking
11 that next shot in the arm. We're not just here to talk
12 about a pipeline down the Alaska Highway right now, but
13 we're talking about the shape of development for the Yukon
14 A Dempster lateral will follow; a major hydro development
15 to push all the gas through the line; new mines and alum-
16 inum smelters made possible by the new hydro development;
17 a paved Alaska Highway justifiable by the increased popu-
18 lation. We think the impact of all this rapid development
19 will be devastating. It's necessary to look at Northern
20 development as a whole, to have a policy that accommodates
21 Northerners, the people who live here and play to stay.
22 It's necessary that this development come more slowly and
23 in an orderly manner.

24 We urge you to recommend that
25 no pipeline be built.

26 MR. CHAIRMAN: Does that con-

1 clude your statement, Mr. Collins? Thank you very much
2 indeed.

3
4 MR. CHAIRMAN: I'm just going --
5 I'm sorry for the delay here. Mr. Collins raised a matter
6 that was new, I think raised for the first time at these
7 hearings, having -- the community hearings -- having to do
8 with the electrical, an electrical charge around the pipe
9 and the possible effects of that, and we wonder, Mr. Burrell,
10 if you'd care to address that precise matter.
11 --- Mr. Collins?

12 MR. COLLINS: I meant that more
13 as a, well, as a rhetorical example of just one thing that
14 we haven't thought of yet, there's probably many, many
15 other things that we haven't thought of yet, but I think
16 it is a valid point, I imagine it has been looked at on
17 other pipelines but I haven't been able to come up with any
18 research on it.

19 MR. CHAIRMAN: Well, it's an
20 interesting point and as I say, it's new to us. Mr.
21 Burrell, do you have anything to say by way of comment on
22 that?

23 MR. BURRELL: Yes, the gentleman
24 is probably referring to the cathodic protection systems
25 used on a pipeline. It's something which is a very common
26 practice in the pipeline industry, there's a very small

1 small charge put on a pipeline to prevent it from corroding,
2 ing, as I say, it's something that's done on all pipelines
3 that are installed in the last many years. The experience
4 we've had is that it's not caused any particular problem
5 with anything, really, it's something that's carefully
6 monitored and it's a very, very small charge and there's
7 no problem, to my knowledge, has ever been created by it.

8 MR. CHAIRMAN: Thank you, Mr.
9 Burrell, and thank you again, Mr. Collins, for a very
10 thoughtful statement. Obviously you spent a good deal
11 time and thought in preparing it.

12 Yes, who's next? Madam?

13 MRS. BUNKER: I haven't got

14 MR. CHAIRMAN: Please don't
15 worry about that. Can I please urge you to either sit
16 in front of that microphone or use the one in the aisle
17 so that your comments will appear in the record. Okay.

18 MRS. BUNKER: I didn't expect
19 this to be so formal and I haven't prepared any submission.
20 I just want to sort of give an impression, an opinion,
21 a citizen who lives in the community.

22 I reckon that we have probably
23 lost the battle of the pipeline, anyway, we all would
24 like to have it all rustic and animals protected and our
25 people who lived here for centuries and centuries having
26 their rights and everything like that, but we cannot stop

1 this Mother Earth from turning around and around and we
2 are not just a community on our own here. When I came
3 here about a year ago they said, forget what you left
4 outside, this is a different place, it's a different area,
5 and you have to think Yukon. Well, I haven't noticed that
6 it's that much different. It catches up with you as you
7 go along. I think this pipeline here too is catching up
8 with us, whether we like it or not we cannot lock up an
9 empty house, the place is so huge, so large, and compar-
10 atively empty. You can't lock up the house and keep
11 everybody out -- I mean, a house that's full of treasures,
12 like this province is. So I think that sooner or later
13 that our neighbour from the South, or probably somebody
14 else, will find a way to this province, because it's much
15 bigger than any state in Europe and it's much, population-
16 wise, it's much smaller than some of the big cities of the
17 world. So we can't just say, now, we want it this way.
18 I agree with my Indian friends that they have all valid
19 claims and everything, but, I think we cannot stop the tide.
20 We are at a point when change and development is inevitably
21 coming, so why not just sit around now and make the best
22 of the bad situation? The pipeline whether it is this
23 way or that way, I think, probably will come anyway.
24 Development will come because this is a place where you
25 can still breathe the air, still fish in lovely, clear
26 lakes and waters and you can sleep in peace, not always,

Can I invite someone else to
come forward, please? Yes?

1 MRS. COLLINS: I just want to
2 add a few things to what Bob said, I'm his wife.

3 I just got in from Champagne,
4 we had an elders' workshop out there this afternoon, well,
5 for the last four days. I mention it because there's
6 something really nice about tradition and a certain kind
7 of humility that Foothills has never demonstrated in coming
8 up here with the a priority intention to change things without
9 taking the time to find out what is here first. I find
10 it rather appalling that they have the nerve to do such
11 things that -- I know they're not going to build a pipeline
12 immediately and they have been up here for a couple of
13 years, but it's the idea that they came here with intent to
14 change it.

15 I grew up in Southern Alberta in
16 a Japanese community and there was a lot of respect for
17 older people and for tradition. I can remember when I
18 first moved away from home I lived with an elderly Japanese
19 couple and my Mom would come and bring armloads of baked
20 goods or vegetables and she'd always say
21 which means, you know, I'm sorry to have bothered you, to
22 come here with so little food or so little this or that
23 and then she'd bow herself out of the door

24 I'm sorry, I'm sorry,
25 I'm sorry, and Foothills completely lacks that kind of
26 respect for things. The things

1 that have been here for a long time.

2 Also, one other point, I wonder
3 myself why Foothills has not offered to compensate us be-
4 ginning now and offered to pay for this Inquiry, because I
5 know it's costing a hell of a lot of time and money for an
6 awful lot people and they've promised jobs on the pipeline
7 that, myself, I would never work for that company.

8 Thank you.

9 MR. CHAIRMAN: Thank you,
10 Mrs. Collins.

11 Okay, can I invite someone else,
12 please, to come forward? Yes, sir?

13 MR. NICHOLSON: Good evening. I
14 have a few points to make, some personal, some general.
15 My name is Dave Nicholson, I'm thirty-two years old. I may
16 be one of the lunch-bucket crowd I heard about and read
17 about in the newspaper. I work at Whitehorse Copper Mines,
18 I'm a supervisor right now for drilling and blasting but
19 I started in digging ditches in the mines, so I'm one of
20 the lunch-bucket crowd.

21 There are, as you were no doubt
22 aware and are no doubt more aware now, a lot of different
23 types of people up here as anywhere else. I think I'm as
24 different as anybody else. I have that kind of job, I
25 live outside of town, some thirty miles from Whitehorse, on
26 the McClintock River. There aren't many people out there but

1 there are a few people and I live there with my wife and
2 small child and two dogs, a cat, as of the last couple of
3 days, a medium-sized black bear. That's --
4 just a medium-sized black bear.

5 That's part of why I came up here.
6 I'm not a native of the Yukon, I wasn't born, but I lived
7 most of my life in Toronto. What I like most about the
8 Yukon is, well, I like the mountains and a lot of the
9 scenery and things. I like the lack of people, I really do,
10 the fact that there are only about twenty-four thousand
11 people of us in over two hundred thousand square miles,
12 makes this place not quite, but almost, unique, I think, on
13 the face of the earth.

1 There are few other places
2 like that. I think that's not something to be rightly
3 tampered with. As far as development goes, one of the
4 previous ladies talked -- said that we can't stop developmen
5 and I quite agree. I'm not in favour of things stopping dead
6 but I think there is a great difference between some amount
7 of development and growth which will provide more population
8 more jobs for people and boom.

9 Boom is my line of work, since I
10 am a blasting engineer. It causes a lot of destruction in
11 the mine and I think it causes a lot of destruction socially,
12 as well. The effects of fast development are what I'm not
13 very crazy about. In my line of work, I wouldn't mind seeing
14 another mine, another two mines, other kinds of development
15 at a slightly slower pace.

16 I don't think this -- my style
17 of life can take rapid expansion that there would be with the
18 boom in pipeline construction or any of the other construc-
19 tion or development that I think this could well be a first
20 step leading to. As far as -- well, I would like to say
21 something about Indian land claims and the pipeline. I do
22 agree that there should be sufficient time. I think pipeline
23 aside, this is the number one problem - the number one
24 situation that we face in the Yukon.

25 I've been a few places in Canada,
26 a few places in the world and it's my opinion that I've never

1 seen a worse, a more degrading racial situation than here
2 the Yukon. I've mentioned this to people, people who've
3 lived here all their lives or a long time and they can't
4 it. I think I can. I haven't been in Africa, I've been in
5 Israel where the racial situation isn't too hot. I wouldn't
6 say it's as degrading as it is here and I think proposed
7 land claims along the basis that it seems to be proceeding,
8 is a good step, a good first step, it seems to me, the
9 healthy step I really think some amount of time and
10 some amount of stability is needed in order for that to be
11 carried out. I hope they can get it.

12 I can't say much more about
13 that. There are other people a lot more qualified to tell
14 you what they think of that. I'd like to point something
15 that you may well have seen and this is that everybody
16 speaking here is talking -- almost everybody speaking to you
17 is talking in their own self interest. I'm not doing any
18 different. I have a way of life that I want to protect.
19 I've been to one of the other Environmental Panels, I
20 haven't been to any of these. I read the newspaper once
21 a while and it seems to me that just about everybody I read
22 or hear on the radio is talking in their own self interest,
23 but, there seems to me a fundamental difference between my
24 kind of self interest, other peoples and native peoples
25 self interest and that of the people -- the business
26 communities, the businessmen. There seem to be people wh

1 want a pipeline because it's going to mean more money for
2 them.

3 Now as far as I know about the
4 Yukon, we're not in the doldrums here. We're not in danger
5 of going under. There is no economic crisis in the Yukon
6 that we need something dramatically pumped in in an awful
7 hurry to cure. The people that seem to say they want it and
8 I've heard people say we need the pipeline. I don't think
9 that's true. I don't think they need it, I think it's going
10 to mean extra money for them, not that they're going to cut
11 and run when they get it; well some will I guess, but it's
12 extra money.

13 Now, that's there self interest
14 My self interest is my way of life. Other peoples would
15 be their culture or their way of life, but I think there
16 a difference in those two self interests. I hope the other
17 way would carry a little more weight than the other. I'm
18 willing to forego a few things. I'm interested that we have
19 in this town, a theatre. I get up and act on the stage
20 where I feel a little more comfortable when I have a script
21 but we play in school gymnasiums and rooms like these, which
22 aren't -- don't make for a very good theatre.

23 Possibly, if there was big
24 development here, there was suddenly a lot more people in
25 Whitehorse, maybe money would be around for us to get a
26 theatre, but that to me, isn't worth it. That's not really

1 in my self interest when I sit and think about it.

2 So I'm willing to give up a
3 chance - a better chance at something I want like that, in
4 order to maintain some other things I do want. I'd like
5 to mention one minor point that has occurred to me. On the
6 M'Clintock River, I figure from looking at fairly detailed
7 maps, that the pipeline route will come maybe half a mile
8 from my house.

9 Now, okay, I can't keep people
10 out, I can't leave it as it is, it can't stay just a few
11 of us people on the road. That's if the government was to
12 put a few more lease or a few more lots which doesn't seem
13 to likely, but maybe they would. I wouldn't really be
14 happy about it, but I'd accept it. Then again, if they were
15 to put in a two hundred lot subdivision right beside me
16 all at once, smack-dab, I wouldn't be very happy about it.
17 I think there is a parallel there with the development
18 boom. But the minor question I wanted to raise was that of
19 the access roads.

20 Now, I'm not a hunter, I'm not
21 a skidooer -- I'm a snowshoer and a walker I guess, and I'm
22 not really crazy about the few skidooers and four wheel
23 drivers that come by and tear up our rather fragile sand
24 road in the summertime and run by the house in the winter-
25 time in the skidcoos and it's occurred to me that this pipe-
26 line access right-of-way that will be coming quite close, will

1 open that territory really a lot. Now, I'm right on the
2 edge of I think, the biggest departure of the proposed
3 pipeline route from the highway, which is that from the
4 M'Clintock Valley to across the north end of Squanga Lake,
5 almost to Johnsons Crossing. I'd be pretty sad to see that
6 country opened up and I can't see that it won't not be
7 opened up. I can't see how it can help it.

8 This is maybe the kind of
9 question that could be settled in a later Inquiry as you
10 said, if they -- I think you said -- if they decide on a
11 pipeline here, that there would be more Inquiries on
12 conditions. I can't see myself, how an access or a pipeline
13 right-of-way can be walled off against the skidooers, four
14 wheel drivers, et cetera, tearing across them, if they
15 could get access by our road which will cross it. I can't
16 see how it can be fenced off or game can't cross it, et
17 cetera. I wish there was some way that that could be cut
18 off because I think there is going to be a lot of maniac
19 cruising along those access and right-of-ways.

20 If there is some proposed way
21 of stopping that kind of thing, I'd be glad to hear about
22 it. In general, I am kind of fatalistic if there is a pipeline
23 line, well, I guess we'll learn to live with it. Frankly,
24 I'm not very happy about the idea and I'd rather wish there
25 wasn't. I think there are other ways - El Paso route for
26 instance, of getting that gas down to the market that

Mr. D. Nicholson

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Mr. J. Burrell

Ms. S. Nicholson

1 designed for it. Thank you.

2 MR. CHAIRMAN: Thank you very
3 much Mr. Nicholson. I'm just wondering on the -- again, we
4 have a point that I don't think has come up before and I
5 don't know if Mr. Burrell has a comment on it and that is
6 the nuisance of skidoos and such tearing up and down a right-
7 of-way. Is there anything on that Mr. Burrell, in terms of
8 experience elsewhere?

9 MR. BURRELL: I have to admit
10 it would be very difficult with an access road onto the
11 right-of-way to police that to keep people off of the right
12 of-way. It's like any other right-of-way. A right-of-way
13 for the powerline from Aishihik for instance or the eight
14 inch line from Haines Junction up to Beaver Creek. Other
15 right-of-ways like that, seismic lines, perhaps not in this
16 area so much, but seismic lines - they are used occasionally
17 by people that have skidoos.

18 I think it would be very
19 difficult to prevent people from using those if they really
20 wanted to.

21 MR. CHAIRMAN: Thank you Mr.
22 Burrell. Thank you once again Mr. Nicholson. I hope you
23 reach an understanding with that medium sized black bear.
24 Yes?

25 MS. NICHOLSON: I just want
26 make a very short point. My feelings are that many of the

1 people that have spoken tonight and probably that you've
2 heard time and time again, if they are expressing feelings
3 against the pipeline, are talking to you of one of two
4 things. They are living here out of tradition or they are
5 living here out of choice. Both of those reasons are highly
6 valuable and I don't think anybody should be able to take
7 those away from us.

8 For those of us that are here
9 by choice and the way of life we have here by choice, where
10 do we go if it's taken away? I don't believe, as David
11 said before, that the economic development here is either
12 necessary or worth the price that we pay for it, on a social
13 economic scale or environmental scale. That's all.

14 MR. CHAIRMAN: Thank you very
15 much. Again, just for the record, may I ask your name please?

16 MS. NICHOLSON: I'm Sandy
17 Nicholson.

18 MR. CHAIRMAN: Okay. All
19 right, perhaps I could see if one more person would like to
20 come forward before we take a break. Can I invite someone
21 else to come forward with a statement or a question?

22

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1 MR. CHAIRMAN: Mrs. Thompson?

2 MRS. THOMPSON: First of all, I
3 like to say that I'd like to support the statements made by
4 Adeline Webber and of the Yukon Indian Women's Associati
5 and Ann Kidd who came a great distance and showed a very
6 sincere concern for Yukon Indian women.

7 I think a lot of the things that
8 they were saying were very relevant to our situation in the
9 Yukon, what's happening to the native life style, espec-
10 ially to the native women, where they are being displaced
11 by the modern transition an so on that they have to go
12 through and they have to maintain the cultural sense
13 looking at the old and trying to get involved in the new.
14 And along thatline I'd like to say that there is a subtle
15 discrimination still here even today and really it's not
16 being acknowledged.

17 I'd like to talk about native
18 communities, several areas came up about job creation,
19 the health problems and so on. My experience has been as
20 a lay dispenser, an Outreach worker, remedial tutor, a
21 teacher aide, postmaster, store owner, and just a plain
22 community worker. My involvement -- the native people
23 are kept in the communities simply because that's where
24 educational system is, that the women are tied down to
25 they can no longer go out to the bush to do their traditio
26 al life style and only in a very few places has there bee

1 an alternative offered where they have group homes where
2 children can stay there and the mothers and fathers can go
3 out and still do their trapping, but those group homes do
4 not serve the people with social service problems, child-
5 ren in trouble and so on, it's only for people that are
6 wanting to do trapping. They are also hampered from
7 leaving the community because of the health system. Quite
8 often they require treatment and so on or they require --
9 they have to be there for immunization or whatever type of
10 thing that has to be done. Also the welfare system.
11 Just about everything, they're tied down to the community.
12 So that hampers their freedom. Somebody made the state-
13 ment yesterday that everyone has a right to work, that was
14 last night. Well, I say, that Indian people have a right
15 to make a choice whether they want to work in the concept
16 of the white man, or what is their concept as far as the
17 work ethic is concerned, or the time thing, because
18 people, Indian people don't have an attitude towards time.
19 They live out in the community, they want to go out and
20 get a moose, they come home and then they might work for
21 a period of time at a job but they still have to have that
22 freedom of choice or that flexibility so their job or
23 their time, pardon me, the work, it's not what their life
24 is really revolved around whereas in a white culture it
25 appears that jobs or employment seems to be the key thing
26 that everybody must have a job, if you don't have a job,

1 there must be something wrong with you. In that concept,
2 as an Outreach worker, I developed a driving program where
3 I taught nine women and seven men driving because they
4 wanted to learn, and so that's using modern technology
5 because somebody says, oh, immediately they're going to
6 say, why did they accept modern technology, well, I think
7 it was necessary in the fact that they learned to use a
8 vehicle so they could go out and get that moose, they could
9 have a skidoo or they could take their dog team out and all
10 their equipment and go hunting, because they would still
11 maintain an individual life style. They go out on the
12 weekend, after they've got a job or whatever, and spend
13 that time out there building their cabins, making their
14 plans for their trapline, and so on, but they have season-
15 al, it's still a very strong trait within their life style
16 out in the small communities, and, really, when you come
17 right down to it, I haven't heard that much about the
18 situation of people in small communities. I've heard a lot
19 about native people in Whitehorse, perhaps that's because
20 I'm at the Whitehorse hearings, but I'd like to hear more
21 knowledge or information about this.

22 Somebody mentioned, today there
23 was a big discussion about the Third World country, I
24 believe it was Peru, as an underdeveloped country and
25 somebody tried to draw a parallel and what has this got to
26 do with Canada, what has this got to do with native people,

1 what has this got to do with the Yukon? Well, I think it's
2 important that we're in the same situation as the Third
3 World countries or the underdeveloped people are. Maybe
4 people won't acknowledge this but I think it's true, I
5 think it's very apparent as in the International Women's
6 Conference in Berlin, where I saw Third World country
7 women and my concern is I saw the Communists playing up to
8 the Third World country people and you know if we don't do
9 something about the situation and get the government showing
10 more concern for the native people, I'm afraid that they're
11 going to be involved with politicals that will take advantage
12 of their situation and play on it. And I think in that
13 sense that we are disadvantaged, that we have to acknowledge
14 that native people are in a Third World situation in an
15 underdeveloped -- I should say, in a developed country --
16 and this is to me a shame.

17 I'd like to offer a solution --
18 I heard the discussion today about spending money on large
19 scale development and it seemed to be the answer to everything.
20 It seemed to be the ideal situation, it was the magical
21 answer, but going back to the people in these communities
22 and what happens to them, and my concern is mostly small
23 outlying communities, not necessarily Whitehorse, because I
24 feel we need just as much or more community development than
25 Whitehorse does. In that sense, I'd like to see that money
26 spent in regional development that will go to, rather than

1 going to big scale development where there will be quick
2 money and the big companies will leave and there will be
3 very little money left in the Yukon and a lot of social
4 problems left from it. Why can't we use some of that
5 money, the billions of dollars that they're talking about,
6 to develop, surely a small amount of that could be spent
7 to the communities for community development so that we
8 will create jobs as everybody wants to do, or appears to,
9 but at the same time preserving traditional skills, translated
10 to technical skills, because I found out that native people
11 are very skilful even though they've never driven a car
12 before in their lives but they seem to have the natural
13 adaptability, but I'd like to see a preservation of a sense
14 of dignity while we're doing it. To me that is one of the
15 important things and I think the role of the native women
16 in all this is very important in decision-making and I think
17 also that native women have to become involved in a political
18 sense, speaking up and learning to get up and I'd like to
19 see more native women in the Yukon coming to state this.

20 Thank you.

21
22 MR. CHAIRMAN: Thank you very
23 much, Mrs. Thompson. I'll suggest now that we take a
24 break of about ten minutes.

25 (PROCEEDINGS ADJOURNED)
26

1 (PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

2 MR. CHAIRMAN: Ladies and
3 gentlemen, I wonder if we could get under way again, please.
4 Could I ask you to take your chairs and -- could I invite
5 someone now to come forward and express an opinion or
6 ask a question? As it was pointed out earlier, that we
7 like to keep the community hearings as informal as we can
8 so it's certainly not necessary to have a prepared state-
9 ment or anything like that.

10 MS. DRZYMALA: Mr. Lysyk, Mr.
11 Phelps and Miss Bohmer, my name is Emily Drzymala, I've
12 been a resident of the Yukon since 1968. My primary
13 occupation is caring for a segment of the population that
14 is our most precious resource, our children, for without a
15 future generation, what is any resource worth? I am a
16 mother of three children, I also work through the Victoria
17 Faulkner Women's Centre in Whitehorse in counselling women
18 in crises situations and information as to how the bureau-
19 cracy, laws and social policies affect women and how they
20 can work for them.

21 Combatting poverty is a contin-
22 ual key problem and very often a futile hopeless problem
23 for women. No one can dispute the fact that males in our
24 society have a monopoly in the higher paying jobs. In the
25 1975 edition of Women and the Labour Force, Facts and
26 Figures, compiled by the Women's Bureau Labour Canada,

1 poses that women earn up to forty percent less than men
2 for the same jobs. In 1974, women employed outside the
3 home made up 34.4 percent of the labour force. For females
4 with the responsibility of child-rearing, their courage
5 and strength has never ceased to amaze me, but on the
6 other hand it builds a growing anger inside of me as
7 society continues to pay little more than lip service to
8 their needs.

9 For females who are single
10 parents, their problems are complex and overwhelming, yet
11 they have in their care society's most precious precious
12 resource - our children. Fifty-three percent of one-parent
13 families in Canada live below Statistics Canada poverty
14 line. This is a 1971 figure and it has increased with
15 the rising divorce rate. Between 1966 and 1971 the number
16 of one-parent families grew at a rate which was almost
17 tripled the rate of growth of two-parent families. The
18 poverty rate in 1973 Survey of Consumer Finances, among
19 single female parents rose to 59.6 percent. For the
20 female single parent, the chances of being poor go up to
21 almost two in three. There are many women in the Yukon
22 living, supporting a family, perhaps three or four children,
23 on five hundred dollars a month, and frequently less.
24 One woman has told me about how she and her children have
25 lived on a diet of bread and mustard sandwiches for three
26 week periods. Her children have somehow grown to be teen-

1 agers, have encountered problems with the law relating to
2 drugs and theft, which are often related to poverty. Her
3 biggest hope is that her children will not perpetuate the
4 poverty cycle that she herself was born into. What are
5 their chances?

6 They are women in Whitehorse,
7 often sole supporters of themselves and children living in
8 sub-standard housing affording inadequate clothing. Many
9 of these women working outside of the home, a large portion
10 of their salaries going to child care expenses that are
11 substandard, which are staffed by underpaid child care
12 workers, primarily female, who are devoted to the care,
13 again, of our most precious resource.

1 It is not glamorous to live in
2 a basement suite, perhaps two rooms, with three or four
3 children. It is not healthy to suffer from lack of proper
4 food. It is not creative or self-fulfilling to struggle for
5 the basic necessities unendingly. It is a sham and disgrace
6 that human beings have reached the moon and yet in our
7 sophisticated technologically advanced society, children are
8 born daily who are doomed to live in hopelessness and despair

9 In Whitehorse over the past
10 three years, I have personally spoken with over a hundred
11 women who in my opinion, are victims of the system.
12 Unfortunately, I cannot say that I speak directly for them
13 in condemning the system, for they ironically blame them-
14 selves. They have bought and swallowed in large parts, the
15 mentality that permeates most of us. That, I'm all right
16 Jack, everyone for themselves, I made it, why can't you
17 mentality. Most of them sincerely believe that their
18 poverty is a result of their personal mismanagement of their
19 lives. If only they would have gotten an education. If
20 only they hadn't had so many children. If only, if only,
21 they blame themselves. Yet we all know that poverty breeds
22 poverty and educates people to undervalue themselves.

23 As I was writing this presen-
24 tation, my seven year old child asked what I was doing. I
25 explained that I was writing about poverty. Her reply was,
26 'I don't like to play with poor kids. They smell and they

1 always have runny noses.' Yes, a life scale hazard for
2 those who are poor. To quote from poverty in Canada, a
3 report of the Special Senate Committee on poverty.

4 "Governments rely on a regressive tax structure
5 as a source of public revenue. Regressive taxes
6 are those which take away a higher proportion of
7 income from the low income groups than from the
8 high income groups."

9 Their table from 1961 reveals
10 56.5 per cent of the income of those earning less than two
11 thousand dollars before transfer payments, goes to paying
12 taxes. By comparison, those with incomes over ten thousand
13 dollars, paid only thirty-seven to thirty-eight per cent in
14 taxes.

15 The property tax import duties,
16 sales tax and excises are all completely regressive because
17 they are direct taxes on consumption and the poor are the
18 hardest hit by them. In 1971, according to Statistics
19 Canada, people living below the poverty line, defined by
20 the Economic Council of Canada, paid eight million dollars
21 in income tax.

22 Another report states that in
23 the same year, large corporations were exempted, forgiven,
24 twenty-one million dollars in taxes. These taxes were not
25 deferred for a specified time, nor deferred for an indefinite
26 amount of time later to be determined.

1 More money is disappearing in
2 sophisticated accounting systems. These were out and out
3 above-the-table forgotten taxes. The middle class suffers
4 rising taxation, inflation, rising costs that continue far
5 above the rise of incomes. Who and what is the middle class
6 consumer worker subsidizing? Who is the real welfare bum
7 who is ripping off, so to speak?

8 I am not grateful that the
9 proposed pipeline will supposedly render us a favour by
10 supplying jobs and giving our economy a boost. The social
11 and economic problems that is the concern of this statement,
12 will not improve with the coming of the pipeline. My
13 speculation is from, in particular, the information divulged
14 at the Inquiry is that any change that occurs, the social
15 and economic problems for single parents and their families
16 will if anything, multiply.

17 However, considering that the
18 problems might remain as they are, I do not support the
19 proposal as it is part and parcel of a system that works
20 to benefit a few and does not operate in the best interests
21 of the population at large over the long term. I support
22 many of the arguments presented here tonight and last night
23 by Whitehorse residents. Priorities are the people oriented,
24 environment oriented.

25 It is not a matter of life and
26 death for the U.S.A. We no longer can think in terms

1 everyone for himself. We live in a universal community.
2 Industrialization has now to be considered in terms of at
3 whose expense and at whose benefit. Together Today For Our
4 Children Tomorrow.

5 We can no longer blame the
6 victim. For every child who is cold, hungry, poor, has been
7 born that way and will live to perpetuate the cycle. We are
8 guilty and to blame, each and every one of us, for not
9 putting a stop to it. I have a sexual fantasy that I would
10 like to share with you.

11 The women of the world will join
12 together to boycott the act of conception for one year.
13 Perhaps it will cause the powers that be, to reconsider,
14 re-evaluate the priorities on our small planet.

15 In conclusion, single parents
16 in Whitehorse are poor. Their problems include lack of
17 adequate incomes, housing, day-care facilities. The existing
18 social welfare system does not come near solving the problems.
19 The construction of the pipeline is not going to provide
20 a solution to these problems. The construction of a pipeline
21 is not going to ameliorate the existing problems. Women
22 are the ones who would end up coping with the results and
23 effects of the pipeline.

24 We cannot afford housing
25 problems for single parents. We cannot afford population
26 growth in our already overcrowded day-care centres. We

1 cannot afford a rise in the wages in a way from home, male-
2 oriented jobs for which women will have to compete with
3 their already below standard wage level against rising
4 consumer prices. Yes, our most precious resource is our
5 children. They will be part of the price we will have to
6 pay for so-called economic development in the name of the
7 big guys, philanthropically supposedly offering us jobs to
8 give our economy a boost. Just what are our priorities?

9 By the way, this presentation
10 will change the eighty-three per cent pro-pipeline figure
11 from Mr. Walt Lengerke. I am a resident of Riverdale.

12 MR. CHAIRMAN: Thank you very
13 much Ms. Drzymala, for that presentation. Can I now ask
14 if someone else is ready to come forward to express an
15 opinion or ask a question? I should mention that there
16 will be one more hearing in the Whitehorse area. That's
17 on Thursday, the 7th of July, in the Kishwoot Hall starting
18 at 7:30.

19 I should also mention for those
20 who were not here last night or one of the earlier meetings,
21 that anyone who wishes to supplement a statement that has
22 been made or someone who hasn't made a statement but does
23 have an afterthought or some views to pass along, we'd be
24 pleased to receive written submissions or letters sent to
25 us at our office in the Lynn Building here in Whitehorse.
26 I might mention also that we have a viewing room in our

1 offices in the Lynn Building, so anyone who would care to
2 drop by and look at the materials and the maps and so on,
3 is most welcome to do that. Yes sir?

4 MR. TURNER: I just have a
5 question sir for Foothills. A comment was made earlier
6 about an electric charge on the pipeline. I'd like to know
7 if there has been any research that has been done to measure
8 the effects or if it's just an assumption that they're
9 making, that the effects, and if there has been research
10 done, if he could outline some of that research.

11 MR. CHAIRMAN: I'll ask Mr.
12 Burrell if he can add his views in response sir. Before
13 you leave the microphone, again for our record, could I
14 just ask you to give your name?

15 MR. TURNER: Frank Turner.

16 MR. CHAIRMAN: Thank you.

17 MR. BURRELL: The use, as I
18 mentioned before, the use of cathodic protection is some-
19 thing that has been utilized in the pipeline industry for
20 many years. The voltage which is put on the pipeline is
21 very very small and you have to measure it with a, what
22 they call a volt meter to get a measurement. That's the
23 only way in which you can actually measure the charge that
24 is on the pipeline.

25 It is there to prevent the
26 pipeline from corroding or rusting. It's a safety feature

1 that is utilized in the pipeline industry. Now, as I said,
2 it's been used many many times and for many years and to
3 my knowledge, there has never been any problem with it.
4 It's a very small charge. I'm certain that there is
5 research that has been done on it. It has been probably
6 done in the years past when they were first considering
7 using the technique.

8 I'm not aware of what that
9 research is, but I'm certain that the results of it were
10 such that there was no concern at all. But if you'd like,
11 I can for the Inquiry, make an inquiry of Alberta Gas Trunk
12 Line to see if they do have any information with regard
13 to any research that was done or any results that may have
14 been obtained for any studies that were done with regard
15 to cathodic protection. But I must emphasize again, it's
16 something that has been done for years and it's a very
17 standard practice in the industry.

18 I've been in the industry for
19 quite a while and been involved with pipelines that use
20 cathodic protection and I'm not aware of any problems that
21 have ever occurred as a result of it.

22 MR. CHAIRMAN: Thank you Mr.
23 Burrell. Yes sir?

24 MR. TURNER: I've got inspired
25 from the lawyer for Foothills yesterday. I saw a little
26 bit of the afternoon session.

Mr. F. Turrer
Mr. J. Burrell

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1 Some of the points that have
2 been made here tonight on terms of the environment in the
3 cyclical, how everything is interconnected, I'd like to
4 ask again if I can, what you would presume to be a necessary
5 -- when you say a small amount of charge to affect a small
6 insect which again, would affect say the bird population
7 or it would be a part of that chain. The charge -- I know
8 they have done some testing in say Toronto with hydro lines
9 and the different effects that it's had on behaviours of
10 humans. But how much of a charge, even if you have to have
11 a very very sensitive type of instrument you have to use,
12 would it be to effect the smallest insect, that would again
13 affect whatever it is that feeds off that and feeds off
14 that, in it.

15 The only thing that I again
16 being inspired yesterday, is when you make the statement,
17 no effects that if you'd like to qualify that.

18 MR. BURRELL: As I mentioned,
19 it's a very small charge and the pipeline itself is wrapped
20 and coated with fibreglass material which is an insulating
21 factor, you certainly can't feel any electrical charge.
22 It's something again, as I mentioned before, that is so
23 small that you have to use a volt meter to record it.

24 I've seen insects land on the
25 pipe which has been cathodically protected and there has
26 been no problem with them. I don't know what more to say

1 about it than that. There has been -- I'm sure there has
2 been work done in the past to look into it when they were
3 first considering it, but certainly again as I mentioned
4 before, it's something that has been done for years and
5 there has to my knowledge, never been any problem and I
6 can't see how there would be any problem with it.

7 MR. CHAIRMAN: Thank you Mr.
8 Burrell, Mr. Turner. I take it Mr. Burrell, if there is
9 something new turned up as a result of the inquiry you
10 propose to make, that you can pass that on either to our
11 remaining community hearing here or perhaps to Mr. Turner
12 directly.

1 MR. CHAIRMAN: Okay, can I issue
2 a last call for anyone who -- yes, sir? Can I ask you to
3 move toward a microphone.

4 MR. JOHNSON: I read in the
5 paper just a while ago that not too many years the same
6 gas coming down this pipeline was considered worthless
7 when they hit it in the Southern states and if they did
8 hit gas, they just set a torch to it and this article said
9 you could drive across the plains in the middle of the
10 night and it would be daylight from these torches, and
11 they burned for years. It doesn't seem to make sense.

12 MR. CHAIRMAN: Again, I should
13 have asked you while you were at the microphone for your
14 name, but maybe you can mention it --

15 MR. JOHNSON: Bill Johnson.

16 MR. CHAIRMAN: Thanks. I don't
17 know -- Mr. Burrell, are you able to provide any assistance?

18 MR. BURRELL: In Turner Valley,
19 which is an oil field in Alberta, which has been in opera-
20 tion since the, oh 1920s or perhaps earlier, they have gas
21 in solution with the oil and the oil is what they wanted to
22 produce and there was at that time no use for the gas.
23 So they used to flare the gas because there was no use for
24 it but certainly now they have found many uses for natural
25 gas and natural gas has become a very valuable commodity
26 and so it does have a value and it's a very valuable energy

1 source and conservation laws have come into effect since
2 the time when they used to flare gas and they're not allowed
3 to do that anymore, plus the fact that the gas is, as I
4 said, a very valuable commodity and there's many good uses
5 for natural gas so they don't flare it any more.

6 MR. LYSYK: Can I ask if anyone
7 else would like to make an observation or ask a question?
8 Well, if not -- yes? we have one more.

9 MS. MUIR: One thing I've
10 noticed since yesterday's community hearing and starting
11 from about, I think, mainly, in my recall, John
12 Lammers' speech last night, the fellow who has the small
13 touring business, that he really brought out the human
14 aspect, you know, the fact that he really, I thought,
15 brought the whole audience or whatever we call ourselves
16 here, together, and made it see that we have to really con-
17 sider things very carefully and not just be greedy and
18 think, okay, big money, you know, or not just be cynical
19 and say, okay it's going to go through anyway so -- you
20 know. I'd just like to sort of second his motion that
21 was made last night or you know really commend his speech
22 and myself take a stand which has been a result of coming
23 to these hearings this week and sorting out all sort of
24 ideas and realizing that sure, I might want to work on a
25 pipeline and make, you know, thirty-four thousand dollars
26 in a few weeks, okay, sure, it'll give me a lot of new ex-

perience, sure, but that is a selfish sort of personal kind of view and should, and I shouldn't, I now stand against the pipeline in favour of say a ten-year stock-taking period, as John Lammers expressed it, to actually let things come slowly. You know, have a definite program of things that have to be very carefully looked at instead of just rushing to conclusions all of a sudden. I was just very happy to see that tonight as well the human aspect is showing and you know, we can stand together as humans, when we're being human then our best qualities are coming forth, well, then we're coming -- then you notice that everyone in the audience really seems to be together. You know, if someone comes out and speaks just in favour of greed and this thing going quickly, then you only get part of the audience clapping because then you only have those people who naturally have something to gain monetarily from the pipeline. But outweighing all the factors, the pipeline is not going to be good for everybody, it's only going to be good in short term for a few people, so we just don't need a pipeline now, not for all Yukoners, and I'd just like to take that stand, no pipeline.

Thank you.

MR. CHAIRMAN: Thank you very much, Ms. Muir. Can I ask if there's anyone else who would like to give us the benefit of his or her view? If not, I hope we may see many of you at our last commun-

1 ity hearing in the area, Kishwoot Hall, next Thursday
2 evening. I see Mr. Herman holding up a whole lot of
3 fingers back there. Is that meant to tell me that it's
4 seven rather than seven-thirty? I believe it also has been
5 advertised for seven-thirty, isn't that correct?
6 Faced with that little difficulty, I hereby declare it
7 will be seven-thirty, next Thursday evening and
8 to express the appreciation of the Board for this very
9 good turnout once again particularly on the evening before
10 a long weekend. Thank you for coming out and for the very
11 high degree of participation.

12 (Applause)

13 (PROCEEDINGS ADJOURNED)
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